

UNIVERSITY OF ILLINOIS AT URBANA-CHAMPAIGN

If You Can't Measure it... You Can't Manage it



Today's Presentation Team

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Our Agenda Today

- Dining Operations at U of Illinois
- The “Before” – Processes and Challenges
- The “New Reality” – How my World has Changed with **RevenueVision**
- What Metrics can we now see
- Our Success Stories...and the Impact on our Bottom Line
- What’s Next



A Myriad of Management Philosophies

- Good to Great, Built to Last
- Total Quality Management – Continuous Process Improvement
- The Advantage
- Zapp – The Power of Empowerment
- Who Moved my Cheese?
- Valley of the Gods, Own It, The Net and The Butterfly, Stealing Fire, The Power of Onliness and on.....



Facts:

- If you can't measure something, you can't understand it.
- If you can't understand it, you can't control it.
- If you can't control it, you can't improve it.



Current State of Higher Education

- Tuition for public universities and colleges – increased by 80% since 2000
- Cost escalation in higher ed >CPI
- 1 in 10 public and private colleges is suffering from “acute financial distress”
 - Declining revenues –stagnant enrollment
 - Weak operating performance
- Many universities are not viable with tuition alone



Auxiliaries are being asked for greater contributions....that means us!

“Heightened competition for government funds, donors, and students combined with pressure to increase compensation and invest in programs and facilities will result in continued deterioration of financial performance.”

-Moody's Investors Service

Eva Bogaty, VP-Senior Analyst



CFOs lack of analytics

The challenge is that we have many distinct systems but they do not talk to each other.....



"What gets measured, gets managed."
Peter Drucker

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Dining Services at U of Illinois

- \$53M
- 1,884 employees – 312 FT, 1,436 student labor, 136 extra help
- 15 outlets
- Types of operations: AYCTE, Retail, Catering, Concessions, Food Truck
- 40,000 meals/transactions per day



The Challenge?

Understand and trend P&L, and all contributing variables, at a granular level, and on a frequent basis.



The Before – Processes and Challenges

- Multiple systems
 - POS, food cost management, labor, student card, financial, catering, online ordering
 - NONE of them talk with one another
 - Static snapshots only – no trending or comparative capabilities
- Creating a P&L was a very heavy manual lift and not sustainable
- Financials came monthly
 - 3 -4 weeks after the fact – too late
 - Data not granular enough
- A ton of data with no “intelligence”



The Transformation Began

- Purchased RevenueVision
- A cloud based operational management tool
- Centralizes all key data, documents, deliverables and deadlines
- External contracts (distribution, vending), interdepartmental commitments (MOUs), internal (budgets, P&Ls, collective bargaining)
- One place for everything
 - No more pink and blue folders
 - 24/7 access from anywhere
- Aggregated versus disparate



It Got Better!

- Powerful analytics tool
- Solution can upload granular data from any legacy systems – whenever we choose!
- No more disparate data overload
- No more spreadsheets
- Daily flash reports
- Weekly P&Ls
- Dashboards for all team members

Empowerment, Accountability
Actionable Intelligence



What Metrics are we Measuring?

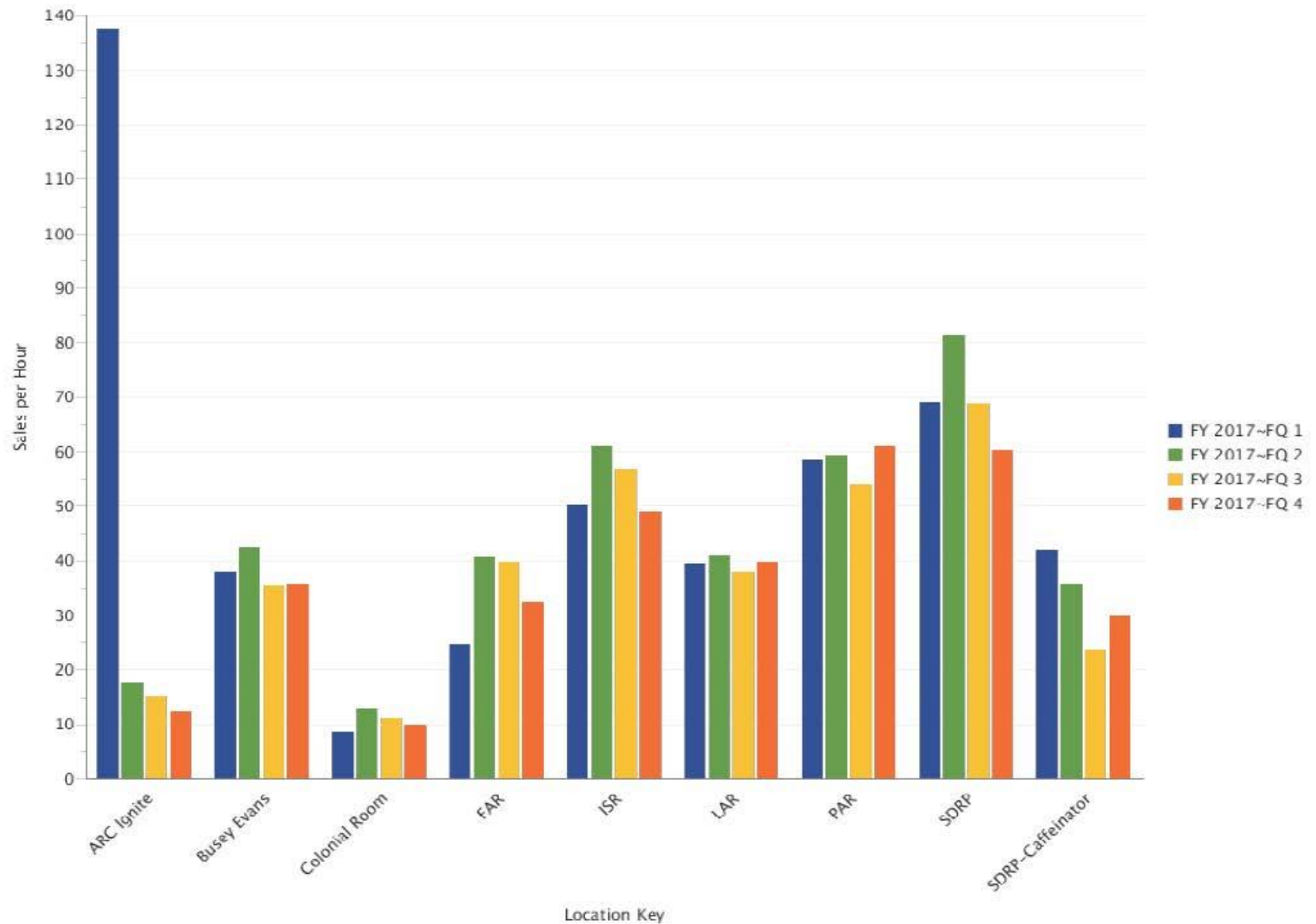
- Labor hours, wages
- Food Cost – COGS
- Food Waste
- Meals Served, Transactions
- Sales per person, check average
- Meal Plans – type, participation
- Consumables, Equipment costs



FY17 FQ3-4 Sales per Labor Hour

Fiscal Year						
Fiscal Quarter						
FY 2017						
Location Key	FQ 3			FQ 4		
	Hours	Sales	Sales per Hour	Hours	Sales	Sales per Hour
ARC Ignite	1,353	\$20,550.98	\$15.19	855	\$10,478.75	\$12.26
Busey Evans	9,406	\$333,800.10	\$35.49	6,054	\$216,127.44	\$35.70
Colonial Room	1,778	\$19,717.58	\$11.09	1,541	\$15,238.79	\$9.89
FAR	10,902	\$434,509.59	\$39.85	9,107	\$294,657.08	\$32.35
ISR	24,164	\$1,371,618.91	\$56.76	18,854	\$924,603.44	\$49.04
LAR	21,695	\$820,722.22	\$37.83	13,966	\$556,509.16	\$39.85
PAR	35,485	\$1,915,068.58	\$53.97	21,358	\$1,302,760.74	\$61.00
SDRP	47,869	\$3,293,933.16	\$68.81	35,117	\$2,121,003.94	\$60.40
SDRP-Caffeinator	3,709	\$87,831.28	\$23.68	2,309	\$68,800.33	\$29.80

FY17 FQ1-4 Sales per Labor Hour



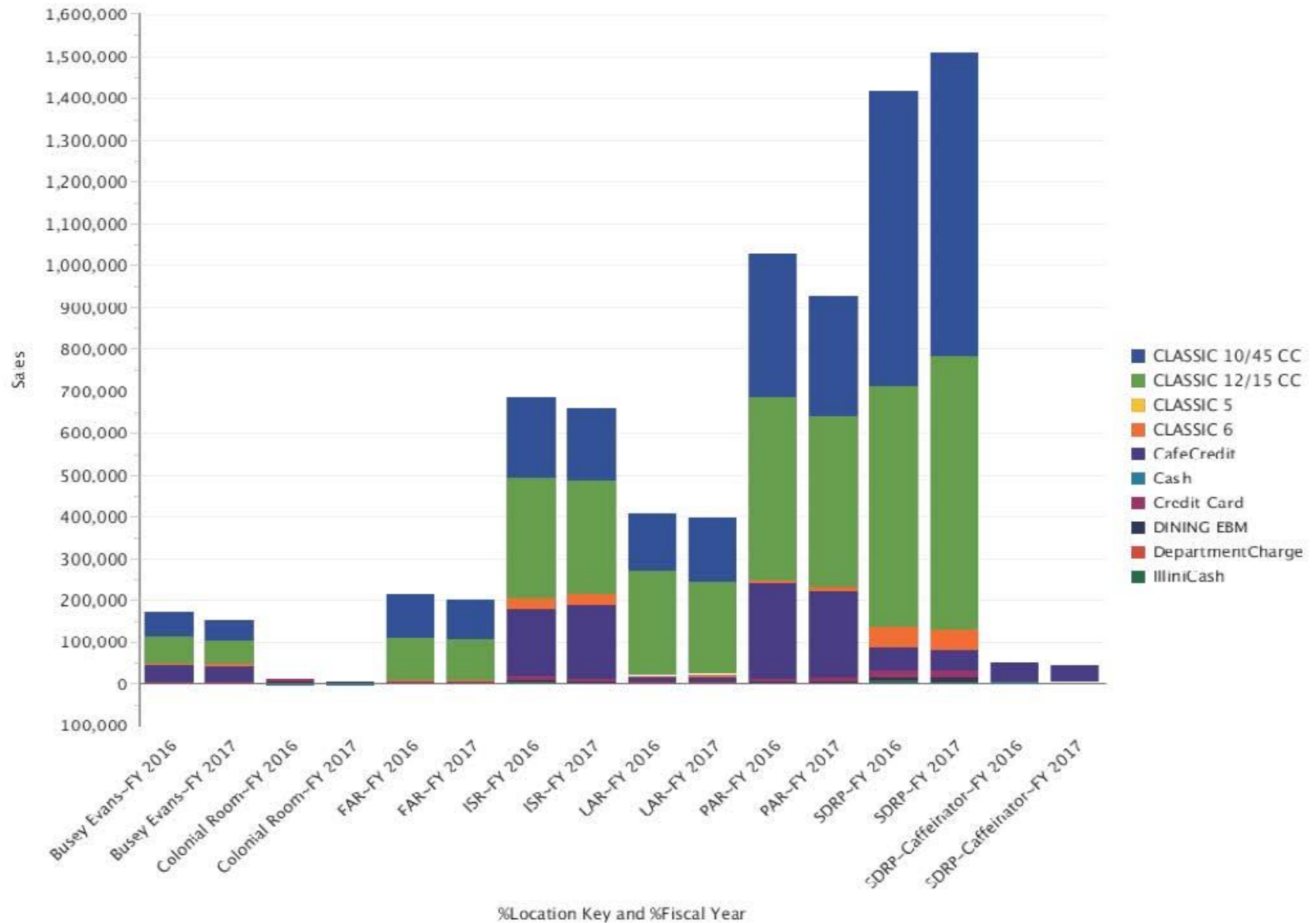
FY16-17 FP3 Revenue Types

		Fiscal Year			
		Fiscal Period			
		FY 2016		FY 2017	
		3		3	
Category	Item	Total	% Change	Total	% Change
Income	Ballroom Income	-\$12,504.53	-	-\$9,040.63	-27.70%
	Board Income - Undergraduate	-\$5,442,809.07	-	-\$5,694,086.39	4.62%
	Catering Income - Cash Bars	-\$8,237.70	-	-\$2,762.54	-66.46%
	Catering Income - I Hotel	-\$323,659.85	-	-\$342,135.60	5.71%
	Catering Income - MFT	-\$3,184.29	-	-\$1,523.57	-52.15%
	Catering Income - Union	-\$249,166.12	-	-\$292,075.44	17.22%
	Conference - Space Rental Income	\$30,290.25	-	\$50,463.00	66.60%
	Extra Credit Sales	-\$57,839.83	-	-\$33,705.70	-41.73%
	Guest Sales - Food Income	-\$7,125.10	-	-\$18,336.55	157.35%
	Miscellaneous Income	-	-	-\$48.95	-
	Retail Sales	-\$66,991.53	-	-\$93,301.30	39.27%
Grand Total		-\$6,141,227.77	-	-\$6,436,553.67	4.81%

FY16-17 FP10 Sales by Tender and Location

		Fiscal Year			
		Fiscal Period			
		FY 2016		FY 2017	
		10		10	
Location Key	Tender Type	Sales	% Change	Sales	% Change
	DINING EBM	\$3,602.63	-	\$2,768.84	-23.14%
	IlliniCash	\$7,400.00	-	\$3,321.01	-55.12%
ISR Total		\$684,553.06	-	\$659,325.58	-3.69%
LAR	CLASSIC 10/45 CC	\$135,835.21	-	\$152,177.52	12.03%
	CLASSIC 12/15 CC	\$250,773.56	-	\$220,468.21	-12.08%
	CLASSIC 6	\$3,032.84	-	\$4,439.49	46.38%
	CafeCredit	\$14,505.16	-	\$13,599.25	-6.25%
	Credit Card	\$1,115.14	-	\$1,273.65	14.21%
	DINING EBM	\$1,128.71	-	\$3,897.90	245.34%
	IlliniCash	\$2,387.94	-	\$1,486.84	-37.74%
LAR Total		\$408,778.56	-	\$397,342.86	-2.80%
PAR	CLASSIC 10/45 CC	\$347,235.26	-	\$288,730.90	-16.85%
	CLASSIC 12/15 CC	\$435,562.68	-	\$408,295.83	-6.26%
	CLASSIC 6	\$7,871.61	-	\$9,226.58	17.21%
	CafeCredit	\$225,373.56	-	\$206,556.98	-8.35%
	Cash	-\$40.40	-	-	-100.00%
	Credit Card	\$8,615.14	-	\$10,811.08	25.49%
	DINING EBM	\$1,370.50	-	\$2,313.94	68.84%
	IlliniCash	\$5,006.75	-	\$2,456.97	-50.93%
PAR Total		\$1,030,995.10	-	\$928,392.28	-9.95%
SDRP	CLASSIC 10/45 CC	\$703,618.26	-	\$726,643.26	3.27%
	CLASSIC 12/15 CC	\$575,346.86	-	\$652,400.55	13.39%
	CLASSIC 6	\$48,762.59	-	\$47,388.81	-2.82%
	CafeCredit	\$55,599.69	-	\$50,095.96	-9.90%
	Credit Card	\$15,114.64	-	\$16,963.40	12.23%
	DINING EBM	\$4,071.08	-	\$9,762.41	139.80%
	IlliniCash	\$13,590.30	-	\$5,874.17	-56.78%
SDRP Total		\$1,416,103.42	-	\$1,509,128.56	6.57%

FY16-17 FP10 Sales by Location and Tender



Success Story #1

**What can you save by
reducing labor by 15 min
during slower service times?**

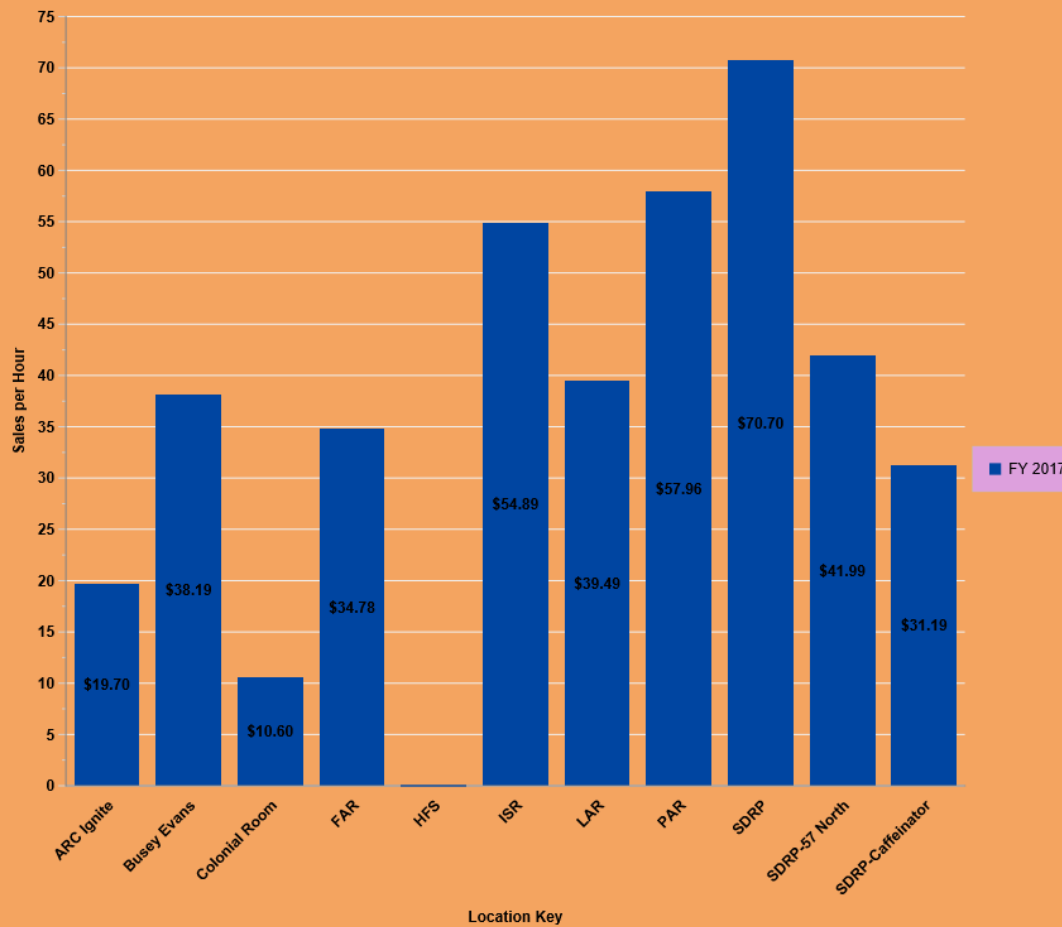


Return on Investment

- Sales per Productive Hour information
 - Adjustment of Schedules at 57 North
 - *15 min. @ \$8.50 X 196 shifts x 109 days =*
\$45,398 savings per semester
= \$109, 106 per calendar year
Breakeven in 167 days, 25 weeks, 5.5 months
Annual ROI 118%
- Note – through 2020 - **9%** or **\$540K** reduction in student labor costs



Sales per Productive Hour



Success Story #2

What is the value of a nickel?

If you could reduce waste
by .05 per plate what would
that be worth to you?



Return on Investment

- Food waste reduction of .05 per transaction
 - $.05 \times 30,000 \times 222 \text{ days} =$
\$368,000 per academic year
= \$581,640 per calendar year
Breakeven in 31.4 days, 4.5 weeks, 1 months
Annual ROI 1063%
- Note – through 2020 - **9%** or **\$1.86 Million** reduction in overall food cost



More Examples

- Meal plan participation – where they live versus, where they eat
- Trend of food cost per person, waste information per person, meals per labor hour, per time of day
 - Data to determine if operating hours are appropriate and if the style of service is appropriate
 - What is the trend of cost/waste/labor at various times per day



What Comes Next?

- Automatic Invoicing of Catering Clients
- Scheduled updates for MOU, Contracts, Service Agreements and Collective Bargaining Agreements
- Assets inventory connected to our Campus Map



Where else is RevenueVision used?

- University stores
- Vending
- Mail services
- Copy/print
- Parking & transportation
- Licensing
- Student unions
- ATMs & Banking
- Real estate
- Athletics
- Conference services
- Housing
- Recreation/fitness centers
- Off-campus merchant programs
- Performing arts, stadiums & arenas
- Procurement
- Risk management
- Sponsored research

