

USE CASE

MEASURING WORKPLACE DISHONESTY IMPACT ON SALES

Voids, comps, error corrects, and other means to adjust orders in progress are a necessity if you operate a restaurant. Employees are inevitably going to make mistakes while entering orders just as customers can change their minds and request a different item mid-order. Likewise, comps or refunds can be used when the wrong item was delivered or the customer was unhappy with their experience. While these tools are required to make adjustments, certain employees will learn quickly that they can be used to their financial advantage to commit fraud or theft. Unfortunately it only takes one such employee to negatively impact sales.

Challenges

A rapidly growing fast casual brand operating 400+ locations had recently implemented Agilence's data analytics platform. With their newfound ability to easily track sales, they quickly noticed an astonishingly high amount of error corrects, voids, and refunds. Digging a little deeper they identified a small number of locations were having a large impact on their overall metrics. In one of the worst offending locations, they also found low average order sizes, low number of items in each order, and an extremely low percentage of transactions were paid in cash (only about 11%). They found that at its peak, nearly half of all cash transactions contained a void and discovered a direct correlation to low sales reported on those same days. They did not find that this consistently occurred every day, and upon trending the data began to look for a root cause.

Solution

Using Agilence, they were able to identify one employee was responsible for the vast majority of the locations voids and error corrects in cash transactions. With this information, they were able to confirm that the employee was voiding transactions where customers had paid in cash and pocketing the money. A few weeks after terminating the dishonest associate, they re-examined the location's sales and were shocked to see the difference.

Benefits By the Numbers

- Less than two weeks after the dishonest associate was terminated, cash transactions as a percent of total sales went up from 11% to over 30%.

Additional Benefits

- Voids and Error Corrects in this location returned to a normal range immediately after the employee was terminated.
 - Other sales metrics like Average Order Size, Average Number of Items in Orders, and others quickly returned to normal ranges without fraudulent voids diluting the data.
- Using Agilence, they then went on to easily set up automated alerts to notify Managers when a certain threshold of voids occur during a set amount of time to identify this behavior more quickly in the future.