**SUCCESS STORY**

# Newk's Eatery

Better schedules, improved visibility—a complete labor management solution.

Fourth

## Their Story

Good food isn't the only thing Newk's Eatery has going for it. As the popular fast Casual brand grew, so did their need for an all-in-one labor managemenet solution. In 2008 they rolled out HotSchedules, saving managers time and money.

## Challenges

- Managers using disparate and cumbersome processes to create their schedules
- Scheduling errors commonplace
- Outdated schedules often posted by accident
- No corporate-level visibility

## Products

- HotSchedules
- HotSchedules Logbook

## Results

- 75% reduction in time to create schedules
- 0.6% reduction in labor costs initially, with 2-3% predicted without increase in hourly rate
- Won EEOC wrongful termination case using HotSchedules Logbook

If you're looking for a tantalizing variety of made-to-order menu choices for pick-up or in-café dining, then look no further than Newk's Eatery.

Once you taste their fresh-tossed salads, oven baked sandwiches, California style pizzas, or made-from-scratch soups and experience their refreshing and stylish atmosphere, you'll know why customers continue to return to Newk's.

As the company continued to scale, the Newk's team uncovered many challenges with the workforce solutions they had invested in long ago. Managers were using disparate and cumbersome processes to create their schedules. Some used pen and paper, while others were using spreadsheets. Both solutions took an exceedingly long time. Scheduling errors were common as well—managers occasionally copied an incorrect, older schedule and posted it without catching the issue. Outdated schedules were left posted on bulletin boards, creating confusion amongst the staff. What's more, as Newk's grew and added locations, the team had no corporate-level visibility from a reporting and management perspective.

Stephen Hinkis, previous Vice President of Franchise Operations at Newk's shared, "Everyone knows there are many challenges in the restaurant industry, particularly around managing labor and labor costs. We wanted a tool where we could analyze and evaluate restaurant performance in real time, comparing actual hours used compared to plan. We needed to see what was happening without having to call individual managers to determine staffing hours."

The team began researching scheduling and labor management solutions and quickly settled on HotSchedules as the best option for Newk's.

"What drove us to adopt HotSchedules is that it's a technology-based solution that is centralized, allowing us to look out across the restaurant level," added Adam Karveller, Newk's Vice President of Information Technology.

# TECHNOLOGY-BASED SOLUTION

**75% reduction in time to create schedules**

**0.6% reduction in labor costs**

**Won EEOC wrongful termination lawsuit**

## Uncompromising Service

HotSchedules was rapidly adopted and implemented, and the team was pleasantly surprised at the ease of integration with their Aloha Enterprise POS system. "The integration was 100% seamless," says Karveller. The HotSchedules team is really good at what they do and there's very little to do as an IT administrator. That's really important, especially when IT resources are scarce."

As with many in the restaurant industry, users were a little suspicious of technology. "Getting people to accept something new and dive right in and start using a technological tool is always a challenge in this industry. But once they get in there and get past writing the first couple of schedules, everybody changes their tune."

HotSchedules has on-demand training through HotSchedules University to help users become fully familiar and comfortable with the solution. Users can attend either live, moderated sessions with a HotSchedules trainer, or a pre-recorded session to walk through the functionality of the toolset. "The advantage of the moderated session is that it allows you to ask questions in real time. It's also very easy to reach out and talk to someone via the toll free 800

number or email. HotSchedules makes it easy to get up and running right away."

Using the scheduler's "create from template" and "create by copy/paste" schedule creation features allowed managers to reduce the time it took to complete the tedious scheduling chore. Odair Ferro, General Manager of Newk's most successful location agreed, "As soon as we implemented HotSchedules, we went from taking three to four hours creating schedules to 45 minutes, an hour, max. That saves a lot of money on wasted labor and allows us to be more focused on store operations."

## Communicating Like Never Before

Part of what makes scheduling easier and faster for managers is the ability to share information in HotSchedules. Important company-wide information can be communicated on multiple levels across locations and within individual locations, and quickly becomes an integral part of the Newk's workplace and culture.

"With HotSchedules, managers don't have to remember staff availability and requests. The responsibility is put back on the hourly partner to make the request through the app so that the manager can account for everything as they build the schedule."

Without exception, restaurant managers have never had a better tool for corresponding with their teams. Ferro continued, "HotSchedules is a great engagement tool, and we can now communicate with our employees like never before."

## Documentation That Stands Up in Court

Another aid to in-store and cross-company communications is HotSchedules Logbook. Logbook is designed to simplify how restaurants document and find critical information. It's simple to stay organized because Logbook includes all the capabilities managers need and use most. Logbook also serves as an audit trail that can be of benefit in Equal Employment Opportunity Commission (EEOC) cases because employee incidents are quickly and easily searchable.

"We were in the unfortunate position of needing really accurate logs to combat a recent workforce commission case. A previous employee claimed that she had been wrongfully terminated because she hadn't been properly informed of the schedule. We were able to utilize features of the HotSchedules portal and Logbook to show exactly when she had logged into the system and viewed the schedule. We won the case," Hinkis explained.

## Yes, There's an App for That

Employees love that they can easily access their HotSchedules tools online and communicate with managers and co-workers using any online interface. They enjoy the flexibility and work-life balance that HotSchedules makes possible. Whether you're in the iPhone or Android camp, there's an app that allows employees to be on the go and still connected to their schedules and store communication.

"Mobile access is one of our franchisees favorite functions. Operators are often out in the field and can operate strictly from their smartphone. Hourly partners appreciate it too—they can download the app and see their schedule with a push of a button."

## Reporting Functions Daylight Controllable Labor Costs

From a restaurant operator's perspective, one of the most coveted functionalities are the reports. "We use so many reports on a daily basis, I can't even list them all," Karveller said. "The Actual vs. Scheduled Labor Report is an absolute life saver. It lets you dial into each position to see where your labor disparities are and you can see which positions you over/under-scheduled. The graphical representation makes it really easy to read."

Ferro added, "the report most fundamental to me is the Labor Proforma, which compares hours used vs. the schedule. I also use the roster report, which shows the hours of each person so you can make adjustments to the schedule at any point in time. And HotSchedules has great tools to help prevent you from generating schedules with overtime built in, as well as tools to alert you if you do. This really helps ensure you are staffing appropriately and effectively."

## Promptness Pays

Integrating HotSchedules with their Aloha POS system has helped employee punctuality too. Newk's relies heavily on those controls to slice off incremental

**ODAIR FERRO**

*General Manager, Newk's Eatery*

We went from taking 3-4 hours creating schedules, to 45 minutes—an hour—max. That saves a lot of money on wasted labor and allows us to be more focused on store operations."

pieces of labor cost. The system gives operators the ability to set times and grace periods for clock-ins and outs, and requires a manager approval for early clock-ins.

"The scheduler is smart too—even if someone has more than one job code, the system knows which job code is scheduled when and ensures that they user doesn't make a mistake. These types of controls are among our most highly utilized features, and they truly are a source of supplemental labor cost savings," says Karveller.

## Increasing Productivity and Profit

Most of the locations that adopted HotSchedules saw labor cost savings within weeks. The Newk's team checked in with one of their franchises to collect some data on savings impact to the P&L. Even with a year over-year increase in their average hourly rate, they were still able to document a .6% savings that was directly attributed HotSchedules.

Hinkis agreed, if they hadn't experienced the increase in the hourly rate, the savings would have been more like 2-3%. "Still, to see a net savings even with an increase in average hourly rates, that's quite significant," he emphasized.

"From a company perspective, we've also documented an increase in productivity. We've gone from a $42-43 sale per man-hour to a $50 sale per man-hour. That's really impressive, especially when you factor in an even larger increase in average hourly rates at the company level."

## Support From People Who Care

The Newk's team has noticed, and been impressed by the always accessible HotSchedules support team. Passionate about providing unparalleled service to customers, the HotSchedules Support team understands that when someone needs to create their schedule or access a HotSchedules module, their window of time is narrow, and they can't afford to have anything get in their way.

"When calling HotSchedules, I have a wait time of zero to get a live person on the phone. They're also very quick with the resolution. If they can't solve it for you on the spot, they will give you a timeline and what to expect. My account manager also follows up and and is a single point of contact that I can reach out to at any time. It's a dedicated team," Karveller praised.

HotSchedules Support also offers live and automated services in both English and Spanish, a feature that the Newk's team also appreciates. The entire application can be changed to Spanish as well. "Spanish-speaking employees can get their welcome sheet printed in Spanish, their schedule in Spanish and can call support and talk to someone in Spanish. That's been exceptionally helpful to our staff," Hinkis noted.

The services-orientation of the HotSchedules team extends beyond break-fix support too. They encourage open dialogue and idea flow from customers and consider all ideas for improvement and enhancement of the tool. "HotSchedules is self-sustaining and develops new functionalities all the time. It's not a stagnant piece of software. It's fantastic to have a solution that's constantly improving," said Karveller.

"We're really sold on the HotSchedules process. Starting in 2010, we began requiring that all franchises open with HotSchedules. Since then, our franchisees continue to report that the time and cost savings are real, validating that we have the right technology in place with HotSchedules."

---

**Fourth.**  |  📞 Call us at +1.877.539.5156     🌐 Visit Fourth.com