

## Outsourcing Journal

November 2009 Issue

[home](#) > [publications](#) > [outsourcing journal](#) > [november 2009 issue](#) > [f&a data manage...](#)

THIS ISSUE

[Table of Contents](#)

[How Sophisticated Consumers, Globalization, and the Economy are Changing How Companies Compete](#)

[If There's a Data Security Breach, Who's Responsible and Who Pays the Fine?](#)

[Supplier Keeps Mailrooms Safe at Verizon Wireless](#)

[F&A Data Management Provider Keeps Brinker International Cookin' by Archiving and Analyzing Its Data](#)

[UK Insurance Company's Outsourcing Success Combines Cost Savings with Long-Term Efficiency Increases](#)

[Yahoo! Invigorates Its Brand and Reach by Outsourcing to a Brazilian Supplier](#)

PAPERS

**NEW!** [How the Right Health Information Technology Solution Can Pump New Life Into State Healthcare Programs](#) - November 2009

**NEW!** [A New Approach to Business Intelligence & Analytics](#) - November 2009

**NEW!** [Avoiding the Dark Side of Help Desk Outsourcing: 11 Mistakes Buyers Make in Planning and Negotiating Help Desk Outsourcing Initiatives](#) - November 2009

**NEW!** [How to Make Indirect Procurement Outsourcing Work Effectively](#) - November 2009

### F&A Data Management Provider Keeps Brinker International Cookin' by Archiving and Analyzing Its Data

By Gary N. Bowen, Business Writer

[For More Info](#) [Printer Friendly](#) [ShareThis](#)



Brinker International, a recognized leader in the casual dining industry, serves more than one million guests in its restaurants daily. Its 34-year history has seen the organization morph from a single restaurant in Dallas, Texas, into one that now boasts nearly 1,700 locations in 29 countries and two American territories, with about a third of that number franchisees. Brinker's flagship Chili's Grill & Bar chain boasts more than 1,400 restaurants alone. Familiar brands like On the Border Mexican Grill & Cantina and Maggiano's Little Italy comprise the rest.

The purveyor survives on well-managed cash and accounting records. Without both, its payments to numerous food and alcohol vendors could lag, its large vendor supply chain might become interrupted, and company managers couldn't make strategic decisions such as menu items.

That's only the tip of the iceberg. The company sorts and stores large amounts of diverse data so all levels of the Brinker management and staff have clear understandings of the company's daily activities and their cost. Without such efficiency, the "baby back baby back ribs" don't make it to the table.

In 2004, data integration was paper intensive and manual throughout the chain. These shortcomings conspired to produce substandard reporting, made asset reconciliation more difficult, and interrupted workflow.

This unwieldy and internally-managed process began to encroach on the Brinker dining experience itself. Something needed to change, and it quickly became clear that outsourcing offered the best outcome.

"There was simply too much paper to manage efficiently," according to Brinker's director of accounting and shared services, Sherilyn Johnson.

The strategic decision to outsource this important though non-core task produced a reconstituted data management program that has saved the restaurant corporation about 40 percent of its accounting administrative costs over the life of the now five-year engagement, while returning the nimble decision-making practices historically displayed by the casual dining pioneer.

#### Custom data, customized provider turnaround

The vetting process eliminated the larger, traditional data handlers because turnaround was key. The smaller, more nimble providers seemed more eager to meet Brinker's requirements. "We needed a provider to extrapolate and compile information quickly, some of it in less than 24 hours," says Johnson.

Brinker chose Troy, Michigan's HOVS Services (HOVS), which has a major processing center in Dallas, Brinker's home. HOV also has 35 facilities throughout the United States and support centers in India, China, and Mexico.

This system accounts for every document, prevents lost data, and ensures accurate and timely capture of all figures. HOVS tailored its service to suit high-volume applications such as forms processing, keying from images, Web data extraction, electronic publication, and file conversion.

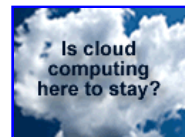
Data that arrives at Brinker headquarters from its far-flung restaurant chain is then sent to the HOVS Dallas data center's centralized image repository for digitization and reconciliation. The system returns all sales and accounting information to Brinker within a day or so. It can provide portions sooner if Brinker requests them. Both partners work together to create reporting and reconciliation quality control programs. Eventually, Brinker archives the data in its internal document-retention database as a back-up if disaster recovery becomes necessary.

Since the initial engagement, the relationship has deepened to include accounts payable invoice imaging and indexing. This process can average as many as 90,000 monthly vendor invoices, many of them paper. Brinker recently added a few front-end payroll processing duties to the HOVS service package.

SPONSORS



ADS



**NEW!** [Supply Chain Optimization for Generating Cash](#)

In addition to being better able to account for all of its assets, Brinker uses this data to improve management processes, employee practices, purchasing, vendor management, new menu item roll-outs, employee and management training, and more.

**NEW!** [Infosys partners with Phillips in the journey to transform their Shared Service Centers \(SSCs\)](#)

"The transaction-capture is important," says John Hagerty, vice president and research fellow with AMR. "But what companies really want is an information system that gives them a good barometer of where their business is at any point in time."

**NEW!** [Helping CIOs Drive Business Growth](#)

One specific data management service surrounds alcohol-related invoices and receipts. Data arrives at the HOVS center, which the supplier then extrapolates and categorizes. "Brinker needs this compiled information back quickly so it can remain in compliance with the liquor laws of the various states it operates in," says HOVS vice president for FAO services, Sue Stallings.

**NEW!** [A New Era in IT: Cloud Computing Takes Center Stage](#)

In addition, the information is useful for inventory control. "Analysis points out any data inconsistencies that might justify more scrutiny in either a legal or security sense," she explains. Hagerty adds that as companies start seeing the source of where information is coming from, that data may be a flag to further investigate. "If you see some anomalies, you drill into the support data to find out why."

**NEW!** [Solving Multinational Payroll and HR Challenges](#)

**Shared growth between provider and buyer**

Two unique issues that govern this relationship lie in the fact that Brinker, like all restaurants, manages a lot of cash and also can experience high employee turnover at the store level. Couple those with the fact that Brinker needs its data chain to be consistent, and you have a formula that requires the thousands of employees responsible for creating the daily dataflow to do it consistently. This requires a lot of coordination between Brinker and HOVS in not only managing the data but helping employees handle it properly.

This increased visibility "helps us identify shortcomings in our management training processes related to invoice and petty cash processing," says Johnson. For example, if supporting documentation tells the company that a segment of its managers are incurring a higher number of exceptions, "we can initiate reporting and training to improve understanding of required efficiencies at the restaurant level," Johnson explains. The front-end imaging and controls free up AP specialists from clerical functions, allowing them to ensure accuracy of all purchasing data to support actual versus theoretical costing. "This makes it easier to manage our margins," she continues.

Johnson also notes one reason for this success between data management partners is the fact that Brinker was an early convert to the value of outsourcing's benefits and the requirements for it to succeed.

"The better the data, the better we manage our inventory and finances. HOVS gives what we need quickly: a better picture of our operations. That doesn't just happen," she says. "We all have to take accountability for that, including our partner, and find ways to make this value chain operate optimally."

Brinker had already outsourced some IT functions and other niche areas like utility processing. "Those relationships taught us that partner/stakeholder relationships are much better than simple vendor engagements."

**Lessons from the Outsourcing Journal:**

- In any retail business, but especially the food and beverage industry, optimal management of inventory and income streams is paramount. Restaurants must turn around data quickly to spot trends.
- F&A data management delivers accurate snapshots of where a buyer's business is at any given point in time, which leads to better tactical decisions.
- Data analysis can help restaurants comply with liquor laws, a complicated process when the chain serves drinks in several states with differing rules.

Publish Date: November 2009

[For More Info](#)   [Printer Friendly](#)   [ShareThis](#)

Copyright © 2009 - [Everest Partners, L.P.](#)

[\[Previous Story\]](#) [\[Next Story\]](#)

[HOME](#) | [JOURNAL](#) | [PAPERS](#) | [RESEARCH](#) | [FOCUS AREAS](#) | [SUPPLIERS](#) | [AWARDS](#) | [NEWS](#) | [EVENTS](#)

Copyright © 1997 - 2009 - [Everest Partners, L.P.](#)  
Two Galleria Tower, 13455 Noel Road, Suite 2100, Dallas, TX 75240  
PH: 214-451-3000 FAX: 214-451-3001  
Comments about our web site? [Contact Us](#)