GoodData

How Fourth Added Analytics to Its Menu…
and Realized a 117% ROI

Customer Since:
2013

Solution:
Fourth Analytics
Powered by GoodData

Use Case:
Travel & Hospitality

Favorite Metric:
- Overall profitability of promotion
- Overall cost of basket
- Flash P&LAffinity

Best Feature:
- Ability to change dashboards quickly
- Ability to customize data view on-the-fly

Results:
- 117% ROI, with a payback period of 2.4 years
- New revenue source in monthly subscription options
- Upsell opportunities offering additional data streams
- Customer retention rate of 97%
- Customer deployments in as little as five days

Opening the Door to Analytics

Headquartered in London, Fourth is the world's leading provider of cloud-based cost control solutions to the hospitality industry. Fourth customers have access to solutions in the areas of purchase-to-pay, inventory management, menu engineering, HR, labour productivity, and payroll.

Mike Shipley, Fourth's Analytics & Insight Solutions Director, began his journey with the company as a customer. "We had a ton of data," he recalls, "but we found it difficult to bring the information together and see the interdependencies and correlations." The analytics packages that were available were beyond the budgets of most operations budgets. "Those who couldn't afford it were doing everything in Excel," Shipley says.

Another problem lay in the distribution of the data, or lack thereof: "There was no easy way to get the data into the hands of all the different stakeholders for informed decision making at various levels," recalls Shipley.

Fourth recognised an opportunity to offer their customers an affordable, cloud-based distributed analytics solution to meet the needs — and fit the budgets — of the entire business chain in the hospitality industry. But first they needed the right platform from the right partner.

Finding the Perfect Recipe

Fourth CTO Christian Berthelsen initiated the search for the ideal partner to help Fourth distribute customisable data to all of the different partners and customers with whom they work while at the same time create a new revenue stream. He and his team began by writing the detailed metrics and schema needed to bring the Fourth data — millions of rows of it — into a structured format. He chose the GoodData platform and hired Shipley as a consultant to create the commercial product. chain in the hospitality industry. But first they needed the right platform from the right partner.

Among Berthelsen's reasons for selecting GoodData were:

- Easily embeddable solution
- Ability to integrate streams from various sources — not only from Fourth, but also from third-party systems such as NCR and Oracle — to provide a complete view of mission-critical data
- Easily accessible and sharable among different users across the organization
- Customizable dashboards that show the users only the specific data relevant to them

"The level of growth we've experienced would not have been possible without our partnership with GoodData."

Mike Shipley
Analytics & Insight
Solutions Director
Fourth

"Our mission was to create a solution that everyone could afford and could take advantage of," Shipley explains. "We wanted to empower our customers to run their businesses better — to make the information easy to access, and to offer it in a graphic, interactive interface that they can use everywhere. Out of our partnership the Fourth Analytics product was born." chain in the hospitality industry. But first they needed the right platform from the right partner.

The GoodData platform also enables Fourth Analytics customers to share data securely with external business partners across the value chain, including retailers, distributors, suppliers, and others. Sharing this information allows the customer to assume greater control over their relationships and challenge partners who may not be delivering the value they promised. "They can even give suppliers anonymous information to show them what they're buying from the competition," notes Shipley.

Finally, the new solution would need to address the data distribution problem. "Our goal was to empower the end user to distribute the data to decision makers throughout their organizations and value chain in an efficient, automated way," says Shipley. "We wanted to enable users at each level, and each location, to easily view the data that was relevant to them and not let them be bombarded with extraneous information. So a board member or a C-suite executive, for example, would be able to see high-level data covering the entire organization, with the option to drill down if they choose, whereas an individual restaurant manager would only see the analytics for his or her location. Data could also be shared with those outside the organisation such as distributors or delivery, etc."

Tasting the Possibilities

The first test of Fourth Analytics went live in early 2013, involving 700 pubs in the United Kingdom. The system was made available to all customers in April 2013, opening up a new revenue stream for Fourth.

"This type of solution simply didn't exist in the marketplace," Shipley recalls. "We saw a need in the market, we found the right partner to help us create it, and we delivered."

To support demand for the product, Fourth brought on Shipley full time as Analytics & Insight Solutions Director, and the Fourth Analytics team now encompasses five full-time employees.

As the system rolled out, customers began sharing the many benefits it offers them:

Analytics Distribution

‣ Automates distribution of the right data to the right stakeholders in an easy-to-read format, eliminating the need to create and send individual reports.

‣ Offers huge time savings, for one restaurant chain, they are seeing up to half a day every week per location, over manual reporting systems.

‣ At corporate, for the analysts, time savings of 2-3 days per week are being realised allowing for a redistribution of resources.

Unlocking the Value of Data

‣ Improves business performance by enabling decisions based on actual data.

‣ Helps measure and identify opportunities for improvement, especially around interdependencies between the Fourth data sources.

‣ Reduces overall labour costs by offering detailed insights into labour use and performance. One Fourth Analytics customer — a pub chain with over £500 million in annual revenue — was able to reduce its labor costs as a percentage of sales by 1 percent per year (c£5m).

‣ Decreases waste by offering better understanding of gaps between what was purchased and what was used. Even small improvements can add up to huge savings.

‣ Drives more intelligent business decision making, so that they are not just cutting costs without considering the impact on the customer experience.

- ▸ Better understanding of customer feedback scores.
- ▸ Highlights opportunities for improving margins and reducing costs.
- ▸ Helps safeguard against internal fraud (wait staff entering voids or refunds, or serving "ghost tables) by tracking individual keystrokes.
- ▸ Links supplier pricing to specific recipes, enabling managers and chefs to optimize the restaurant's spending on food.

Real-World Benefits

For GLH Hotels, Fourth Analytics identified an opportunity to increase profit margins by shifting its staffing profile. "Now we have a greater percentage of employees on part time and flexible contracts, with the obvious effects on the bottom line," says HR Programme Manager Andrew Elvin. "I would certainly recommend Fourth Analytics to any hotel operator wanting to understand and act upon trends, improve operational efficiency and help spot and eliminate unnecessary spending."

The Reviews Are In

It has been about three years since Fourth began selling its data product with an average of one new customer coming in each week. The Fourth Analytics product has delivered — and continues to deliver — a plethora of benefits for the organization.

New Revenue Opportunities

Fourth can now sell monthly subscriptions for additional data capabilities that were not possible before implementing GoodData, providing a new revenue stream. Basic subscribers can also upgrade to get access to additional data streams and more comprehensive visualizations. In addition, Fourth's development team was able to shift into more consultative engagements, which also grew the company's bottom line.

Customer Retention

Fourth's new data products allow the company to grow customer relationships by serving as their "one-stop shop" for collecting and storing their customer data. "If you have all your data reporting in Fourth Analytics," explains Shipley, "it makes it difficult to change to other data sources because they won't show up in Fourth. It's opened up new opportunities for us in terms of customer retention."

Faster Deployments

GoodData's platform allows Fourth to deploy solutions for its customers in as little as five days.

Thought Leadership

Fourth is now the UK's largest business intelligence provider for the hospitality industry. "We're able to aggregate data — for example, around the minimum wage — and share those best practices," explains Shipley. "People look to us as the experts."

Return on Investment

According to an independent analysis by Nucleus Research, Fourth's annual ROI from implementing GoodData's platform is 117 percent, with a payback period of 2.4 years.

"The GoodData platform also allows us to see how our customers are using Fourth Analytics, and our usage stats tell us that it's a success and that our customers are getting great value out of it," explains Shipley. "We've also had a lot of customers ask about it, and the number of users is constantly growing."

Fourth is now working on a new data product, Fourth Connect, that is "completely transforming how we bring supplier information, ERP, and financials into the solution," Shipley says. The new product will push data into the Fourth platform or consume data in their platform and then transform in or out in the format that the customer needs. Fourth Connect is due to launch in the United States in 2017.

By offering a new analytics package powered by GoodData, Fourth not only created a new revenue stream for itself, but also helped its customers improve performance, make better decisions, save time, save money, and leave employees free to focus on what they do best. Fourth Analytics helps customers solve problems they may not have even known they had, and that makes for a very happy client — one who will keep coming back for years to come.

▶

All data has been genericezed.
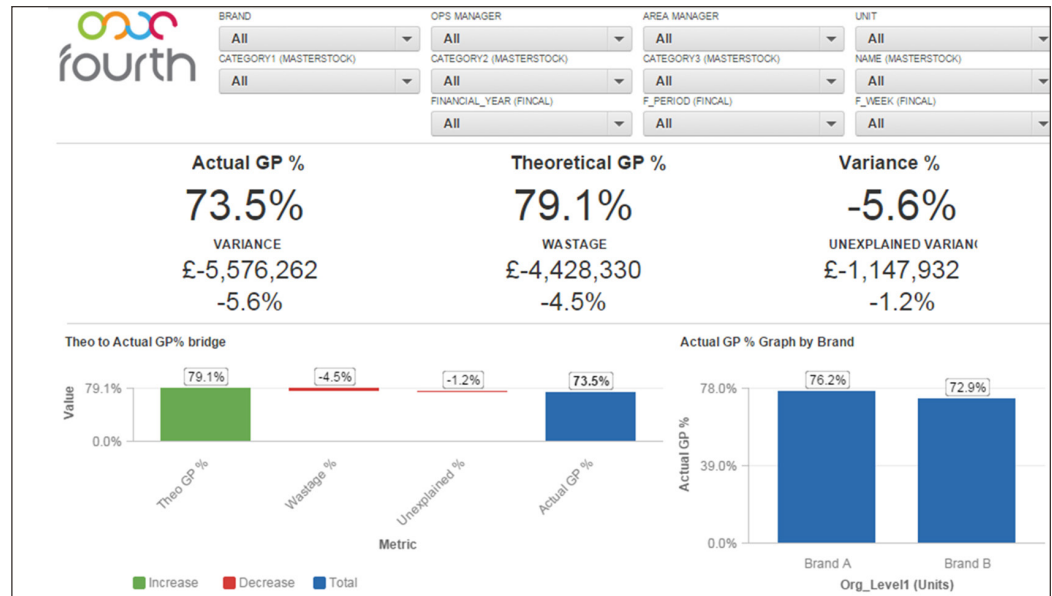
Additional resources

If you'd like to discover more about embedded analytics and the GoodData platform, we have a number of additional resources available.

Learn more
Visit GoodData's **embedded analytics** website to learn more about different types of embedded analytics, solutions, benefits, and additional customer success stories.

Embedded analytics trial
With the **embedded analytics trial**, you can see GoodData's analytics platform embedded in an application's user interface so you can get a clear example of what embedded ad hoc data discovery looks like. Explore a demo application enhanced by analytics visualizations, then create analytical insights using an intuitive drag-and-drop experience.

Get more information

Have a question or want more information that we didn't cover here? Our team is happy to **schedule a call.**