

**OPTIMIZE DRIVE-THRU OPERATIONS
WITH SPEED-OF-SERVICE TIMERS**



Customer Driven

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“Many of the nation’s largest quick-service chains contend that a 10-second improvement in speed of service can result in a 1 percent improvement in revenues.”

—Hospitality Technology magazine

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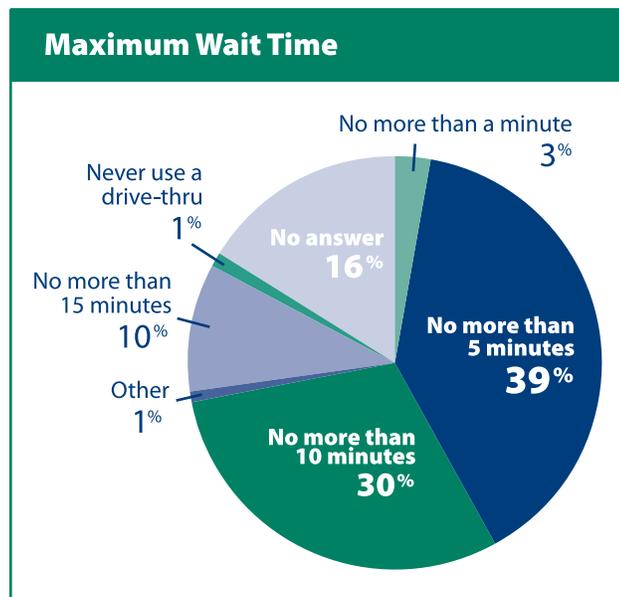
Introduction

In today’s fiercely competitive quick service restaurant (QSR) market, delivering friendly and accurate drive-thru service is not enough. With so many restaurants to choose from, customers on the go are demanding more from the drive-thru. Not only do they want their food fresh and prepared correctly — they want it fast, especially during the rush hours at lunch and dinner. A drive-thru that keeps customers waiting in long lines risks customers becoming frustrated and going elsewhere for their meals.

Time is Money

Every second counts when working toward maximizing the capacity of the drive-thru lane. And it’s no secret that improvements in speed ultimately lead to increases in revenue.

This white paper focuses on the impact of drive-thru timers and how this technology can be used to help create a culture that is engaged and focused on improving speed-of-service.



How long are consumers willing to wait in a drive-thru line? Nearly 40 percent of respondents aren’t willing to wait more than five minutes, and 30 percent want out in less than 10 minutes. The average number of minutes respondents are willing to wait is just under 8 minutes.

— QSR magazine

Using Data to Improve Drive-Thru Service

While most QSR operators are knowledgeable about their drive-thru process, they don't always have enough data to objectively evaluate and improve their drive-thru service. On any given day, most operators probably know the approximate times when drive-thrus are the busiest, but what they lack is specific quantitative data to gain insight into their customers' experience, such as how long a customer spends at the drive-thru; where the customer experiences the longest delays; and how many customers move through their drive-thrus at different times of the day. Some operators use the limited information available from their point-of-sale system. However, it is often not reliable since the data collection method is manual and can be manipulated by employees.

Drive-thru timers can deliver precisely this information and help operators and store managers understand where the constraints occur, streamline drive-thru service and allocate labor more effectively.

Introduced in the late 1990's, drive-thru timers are proven technology for helping many QSR chains increase revenues through improved drive-thru service.

“The speed-of-service strategy mentioned most often by QSR operators was the installation of drive-thru timers.”

—QSR magazine

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Faster Speed-of-Service with Proven Technology

In 2007, a study was completed by Insula Research, Inc. to determine the impact of timers on drive-thru speed-of-service. The objective of the study was to determine if statistical correlations could be established between the presence of timer systems and improvements in restaurant performance — and more specifically, improvements in speed-of-service.

How the Study Worked

A statistically significant restaurant sample was selected at random. The sample for the timer analysis contained 1092 units from the following eight chains:

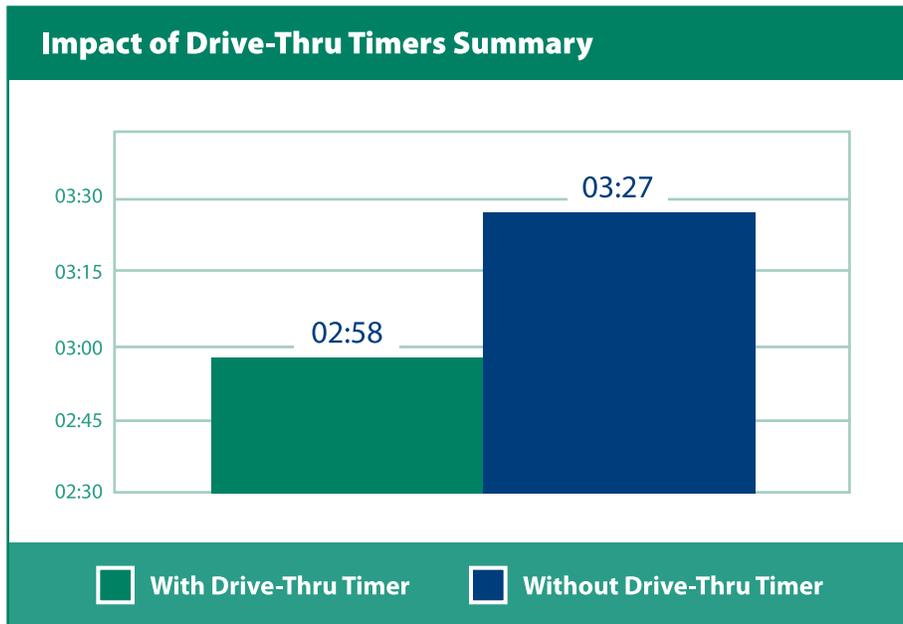
- > Arby's
- > Burger King
- > Dairy Queen
- > Hardee's
- > KFC
- > McDonald's
- > Taco Bell
- > Wendy's

The data for this study was stratified across eight chains from different parts of the U.S. The data was collected during the months of April, May, June and July of 2007. Over two-thirds of the units sampled had a drive-thru timer in place. Service time was measured and defined as the time from when the vehicle stops at the order station, to the time when the entire order is received.

Impact on Service Times

The study demonstrated that speed-of-service timers have a positive impact and that a restaurant with a timer in place has significantly better speed-of-service than a restaurant without, as illustrated in the data below:

Restaurants with timers were on average, 29 seconds faster than those without a drive-thru timer.

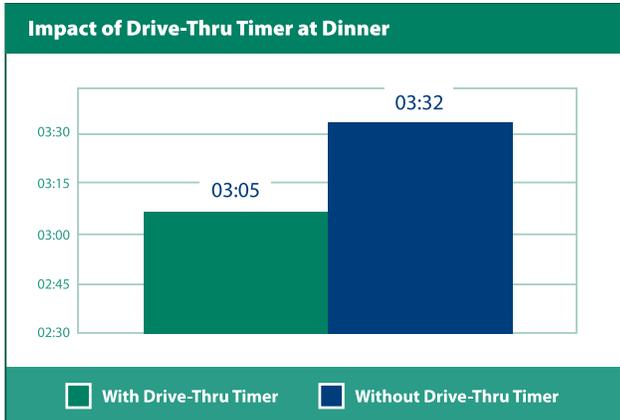
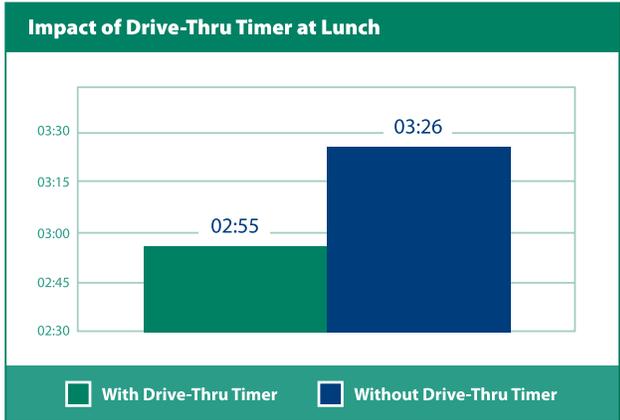


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Impact on Dayparts

Further analysis of the data was performed to determine if a decrease in service time can be directly associated with timers for particular dayparts. Lunch and dinner time findings are presented below. Please note that 794 data points were collected during lunch time, the busiest time of the day for drive-thru operations, while 298 were collected during dinner hours. *The restaurants with timers had faster service times during both lunch and dinner periods.*

Restaurants with timers were on average, 31 seconds faster during lunch and 27 seconds faster during dinner than those without a drive-thru timer.

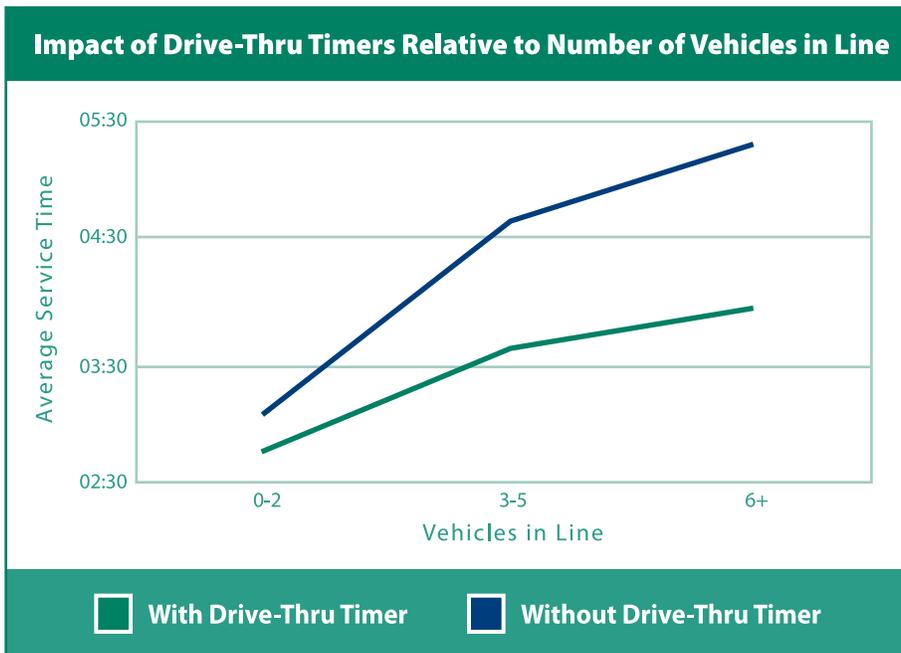


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Impact of Number of Vehicles in Line

The number of vehicles in line for service has a direct relationship with the total time a customer spends at the drive-thru and as the number of vehicles in line increases, so too does the overall service time. Speed-of-service data was broken into 0-2, 3-5 and 6 or more vehicles in line for service to determine if the restaurants with timers performed better than those without.

It is important to note that regardless of the number of cars in lane (0-2, 3-5 and 6+) study data indicates an improvement in drive-thru speed-of-service when timers were present.

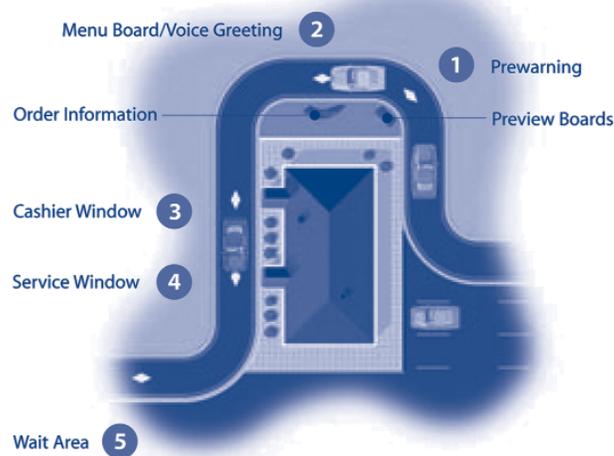


Based upon the number of vehicles in line for service, restaurants with timers in place performed better than those without timers.

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Measuring the Drive-Thru Experience

Drive-thru timers can measure, display and provide reports on service times from multiple points in the drive-thru. Typical timer installations track customers from the order point at the menu board and through the queue to the service window. However, it is possible to include additional detection points such as preview boards and waiting areas that may be designated for parked cars and measure times at each of those on the detection points.



Drive-thru timers can collect and measure data from multiple detection points throughout the drive-thru lane.

A timer system will not only let an operator know how many cars visited the drive-thru at various times of the day, but the average time customers spent in the drive-thru and which point had the longest wait time. This type of specific data helps the store manager or operator:

- Identify when and where capacity constraints occur
 - > By day, daypart, shift and hour
- Target specific areas of drive-thru service
 - > Order-taking process at the menu board
 - > Bagging and hand-out process at the service window
- Take immediate action to drive improvements
 - > Crew deployment
 - > Coaching and Training

Drive-Thru Timer-Equipment Options

Drive-thru timing technology has advanced and there are several equipment options available on the market. From simple LED displays to complete dashboard timer systems, there are varying levels in depth and quality of information offered.

Timer systems provide operators with a wealth of useful information to manage a more efficient drive-thru operation.

Operators have a wide variety of timers from which to choose. Some prefer more sophisticated timer systems that come complete with intuitive “dashboard” displays, customizable reporting capabilities and network accessibility. These timer systems not only automate the measurement of multiple aspects of service time, but also provide more detailed information of the entire drive-thru experience that other timing methods lack.



The Zoom Drive-Thru Optimization System by HME provides complete visibility into the entire drive-thru operation through its intuitive dashboard. Customizable reports and network accessibility further enhance management of the drive-thru experience.

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The System 30A Drive-Thru Timer by HME is an affordable and highly effective tool for tracking, displaying and analyzing drive-thru service times.

Creating a Culture of Speed with Timing Technology

A timer will provide little value unless operators and crew actively engage with it and create a sense of urgency around the information it provides. Operators need to actively measure and monitor service times, set service goals for their team and motivate and reward employees and team leaders for meeting the goals — all the while adjusting the appropriate processes to optimize drive-thru service for a particular store. *This is how an operator can create a culture of speed where everyone is engaged and working toward improving the time it takes to deliver an order.* If you follow this process, you will see improvements.

Timer technology's ability to influence the culture of speed is related to the restaurant manager's ability to:

- > **Motivate** employees to use the timer information to improve their service times.
- > **Monitor** the operations of the restaurant with the data available from the timer.
- > **Measure** the results reported — comparing highly successful restaurants to those that need improvement to determine the changes that need to be made to make every restaurant a success.

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Measuring Service Time

It is extremely important to take the necessary steps to make the most of a drive-thru timer investment. By itself, the timer does not reduce your service times or boost drive-thru sales. Measuring your current drive-thru time is a crucial first step in improving your drive-thru service. Once you've installed the drive-thru timer, be sure that your drive-thru staff is trained on how to use the timer and print reports. To get a better idea of how your drive-thru is currently doing, run some preliminary timer reports over time, so you can understand improvements. Once you have enough timer data to evaluate your drive-thru performance, you're ready to set some preliminary goals.

You should see a dramatic drop in service times during the first few weeks of the timer usage. Sustaining these improvements will require constant measurement and monitoring.

Setting Service Goals

It is important to determine which service time goal is optimum for your restaurant, with consideration of the processes involved in food preparation, the number of employees you have, the quality of service you want to provide, and the approximate number of customers who visit your drive-thru at various times of the day. Being the fastest drive-thru doesn't always correlate to being the best; other factors like order accuracy, friendly service and fresh food are all important to overall customer service at the drive-thru.

To find the ideal time goal, use the timer to measure your current drive-thru service time from the order point to the service window. Then review the timer reports to find out where the slowest service point is and decide whether you can improve the service time at that point without compromising the quality of your service. You may need to adjust the food preparation process, add another employee to the drive-thru team during peak hours, or make a slight adjustment somewhere to improve service. Now that you have a better idea how your drive-thru works and which point you would like to improve, you can set a specific, well-defined, measurable goal, such as a specific time limit for serving customers at the service window.

"If the chicken in our Pollo Salad is cold and the lettuce hot, or if the order is wrong, it doesn't matter how fast we are."

—Steve Carley,
El Pollo Loco

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Taco Bueno launched a 7-week, company-wide “Drive-Thru Contest” that utilized the System 30A Timer. The top 3 winners with the fastest delivery times from each region were awarded cash prizes.

Motivating Employees — A Little Competition Provides Big Results

A huge contributing factor to achieving your drive-thru service time goals is how you motivate your team leaders and employees. While your program may have a specific, measurable goal, your main challenges are to motivate your employees to meet that goal and continually improve. Operators have had the most success in motivating employees when they combined creative contests and competition with effective rewards-and-recognition programs.

Creating competition can provide big results and through creativity, many operators have used speed-of-service timers to drive significant improvements. Contests can be a great tool for promoting competition between crews from different shifts or between teams from multiple restaurants. Drive-thru timers also allow operators to challenge their teams to simply “beat the clock.”

Tying in a rewards and recognition program to your speed-of-service initiatives is an easy and effective way to drive performance. Many QSR chains have already benefited from the success of using timers and employee reward programs.

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Recognizing Efforts and Rewarding Performance

Rewards and recognition are not just nice things to do for your employees. They are a communication tool that reinforces the most important outcomes your team creates for your business. When you recognize your team effectively, you reinforce the actions and behaviors you most want to see them repeat.

An effective employee rewards and recognition program is simple and powerfully reinforcing.

And while cash bonuses and prizes are often quite effective, there are many creative ways to show your appreciation for a job well done.

- > Pizza Parties
- > Movie Tickets
- > Gift Cards for Specialty Coffee or Smoothies
- > Free iPod Downloads
- > Paid Time-Off

Monitoring Progress and Refining Service Goals

Continuous improvements in drive-thru speed-of-service can be achieved by monitoring progress and refining your service goals to focus on specific areas of opportunity.

Start by asking yourself this simple question:

Is there an area in your drive-thru operations that can be fine-tuned to speed up service?

“A bonus program and crew goals have helped improve service, and times have dropped thirty to forty seconds per store since the timers have gone in.

—Fred Scarcelli,
McDonald's Franchisee

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Taco Bueno's drive-thru service times have improved an average of 10 to 30 seconds per order, with record sales during their drive-thru contest.

Through analysis of the data provided by the drive-thru timer, you now have a better idea of which area of the drive-thru lane experiences the most delay and which areas you can improve on. This information will help you to look holistically at the entire operation, not just the drive-thru, to make the changes to your process and operation that create sustainable improvements and enhance the drive-thru experience for your customers.

Case Study: The Impact of Timers on an Entire Chain – Taco Bueno

Situation

The Mexican QSR chain Taco Bueno, with 130 restaurants, wanted to improve their drive-thru service on a company-wide level, focusing on speed-of-service. Taco Bueno previously relied on drive-thru time data from mystery shopping and manual monitoring methods that yielded limited or inconclusive results. Taco Bueno also needed an automatic, standardized method for tracking and monitoring drive-thru times at each store so they could better evaluate and improve their service speed. Taco Bueno chose the System 30A Timer from HME to help reach their goal.

Motivating Employees to Succeed

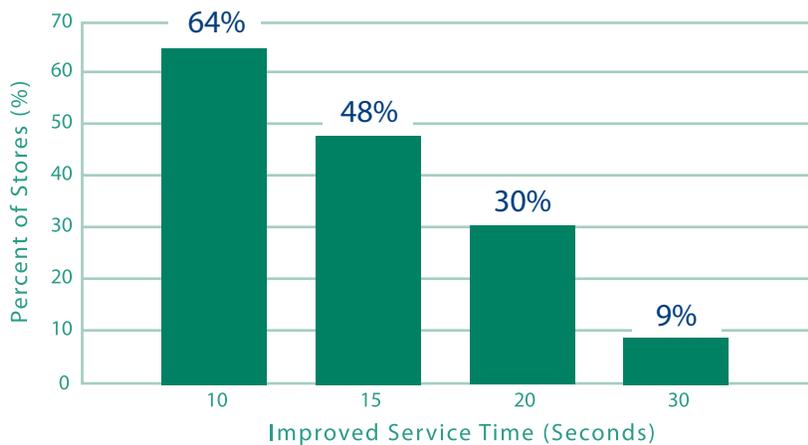
Taco Bueno launched a 7-week "Drive-Thru Contest" to motivate employees at all levels to improve service times. Stores within each of four regions competed for cash prizes of \$1,000, \$500 and \$250 for first, second and third places respectively. The overall winner received an additional \$1,000. Taco Bueno used the HME System 30A Timer to track, monitor and report drive-thru service times at each store during the contest. The drive-thru crew members were constantly aware of their speed by working with timer displays that showed their service time in real time and reviewing timer reports collected regularly by Taco Bueno headquarters.

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Competition and Technology Produced Faster Drive-Thru Service

Nearly every Taco Bueno store showed improvement: 9% of stores improved by more than 30 seconds; 30% of stores improved by more than 20 seconds; 48% of stores improved by more than 15 seconds; and 64% of stores improved by more than 10 seconds.

Service Time Improvements at Taco Bueno Stores



Record Sales and Speed-of-Service

The “Drive-Thru Contest” motivated Taco Bueno employees to speed up drive-thru service, with an average decrease of 10-30 seconds per customer order. Taco Bueno also experienced a sales record during the last four weeks of the “Drive-Thru Contest,” which can be attributed to a combination of employee competition using the HME System 30A Timer and the simultaneous roll-out of credit card acceptance. Implementing the “Drive-Thru Contest” was a successful, company-wide initiative for Taco Bueno. By combining technology and competition to motivate employees to improve drive-thru service times, Taco Bueno received favorable results in both performance and sales.

“New technology and training initiatives were recently combined to decrease drive-thru service times and pump up sales for the Taco Bueno chain.”

—Nation’s Restaurant News

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Conclusion

In response to the growing competition in the QSR industry to provide fast, accurate service at the drive-thru, operators must be creative in providing better service than the drive-thru across the street. Creating a culture of speed in a restaurant is critical to long-term success and growth and timers have been proven to improve speed-of-service and the customer experience. Through systematic measurement and analysis of drive-thru service time, operators can now reliably understand and improve their drive-thru and continue to refine the processes that result in a more efficient and profitable operation. If you don't know and measure where you are, how can you ever expect to improve?

To learn more about how drive-thru timers can improve your operations, please call HME at (800) 848-4468.

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About HME

HME was the first to introduce the wireless drive-thru headset to the QSR industry. Today, we lead the industry in the number of worldwide QSR communication and timer system installations. HME is the only manufacturer that provides total solutions for the QSR drive-thru, including wireless and cabled communication systems, timers, service and support.

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