



CKE RESTAURANTS

REVOLUTIONIZING BUDGETING AND PLANNING WITH SAP® BusinessObjects™ SOFTWARE

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Ryan Hanawalt, Manager of Finance,
CKE Restaurants Inc.

QUICK FACTS

Company

- Name: CKE Restaurants Inc.
- Headquarters: Carpinteria, California
- Industry: Retail
- Products and services: Quick-service and fast-casual dining
- Revenue: US\$1.3 billion
- Employees: 23,000
- Web site: www.ckr.com
- Implementation partner: Column5 Consulting LLC

Challenges and Opportunities

- Respond quickly to a changing economy and business environment
- Accelerate budgeting and forecasting processes
- Gain insights needed to make timely, informed decisions

Objectives

- Deploy an intuitive and fully integrated solution that unifies planning, budgeting, forecasting, and consolidation
- Spend less time consolidating and validating large data sets and more time analyzing data
- Easily assess the impact of various business scenarios

SAP® Solutions and Services

SAP® BusinessObjects™ Planning and Consolidation application, version for the Microsoft platform

Implementation Highlights

- More than 100 users live on the solution
- Streamlined integration with existing PeopleSoft ERP software
- Help from Column5 with planning and implementation

Why SAP

- Impressive customer references
- Software ease of use
- Support for business process flows
- Ability to run the application on a Microsoft technology platform

Benefits

- Consolidate company-wide data within hours
- Reduce the budget cycle by one-third
- Manipulate and segment data in numerous ways
- Meet financial planning deadlines by completing consolidated financial reports in a short period of time
- Engage in more productive dialogues with restaurant operators

How can your business act agilely and arm executives to make timely, informed decisions with brands dispersed across multiple regions in numerous countries around the world? CKE Restaurants Inc. (CKE) – the parent company of Carl's Jr. and Hardee's restaurant chains – resolved these issues by deploying the SAP® BusinessObjects™ Planning and Consolidation application. “The SAP BusinessObjects application allows us to respond as needed to a changing economy and business environment,” says Ryan Hanawalt, manager of finance for CKE.

Serving Its Customers Quickly, Running Its Business Nimbly

Through its subsidiaries, franchisees, and licensees, CKE operates two of the most popular U.S. regional brands in quick-service and fast-casual dining, including the Carl's Jr. and Hardee's restaurant brands. The CKE system includes more than 3,000 locations in 43 states and 13 countries.

As a leading retailer, CKE is committed to acting nimbly. However, it struggled to do so due to delays in financial reporting. The company used Hyperion financial management software that was not robust enough for its needs. Moreover, the software didn't alleviate the need to manually collect financial data by e-mailing spreadsheets to district managers, regional vice presidents, and those in charge of various cost centers throughout the organization. CKE's finance team would then transfer the data from these

spreadsheets into its financial management software to complete monthly forecasts and annual budgets. “It was a lengthy and time-consuming process that required shuttling data into and out of PeopleSoft ERP,” recalls Hanawalt.

In fact, it took days to aggregate data and produce forecasts, and sometimes weeks to consolidate data for the budgeting process. The company wanted to spend less time consolidating and validating large data sets and more time analyzing data. “With our former solution, we couldn't see the entire business at one time,” explains Hanawalt. “We needed a tool that empowered us to be agile by consolidating data and producing reports quickly.”

Going with a Winning Menu of Integrated Functionality

After evaluating its options, viewing demos, and checking references, CKE

chose SAP BusinessObjects Planning and Consolidation, version for the Microsoft platform. The decision was based on the application's ease of use and support of business process flows that drive process consistency. “We were impressed that the application unifies budgeting, forecasting, and consolidation,” says Hanawalt. “Plus, it works on the Microsoft platform that we have in place.”

Just as important, the application features a Microsoft Excel interface, which meant training wouldn't be a significant issue. “In large part, our users are business managers, not financial analysts, and the user-friendliness of SAP BusinessObjects Planning and Consolidation set it apart,” continues Hanawalt.

CKE worked closely with partner Column5 Consulting LLC on the deployment. In addition to building reports and managing other components of the implementation, Column5 played an integral role by transforming CKE's data for the planning and consolidation application. “Column5 did an excellent job in the implementation process from beginning to end,” says Hanawalt.

Satisfying a Range of Tastes

Through a single user interface, SAP BusinessObjects Planning and Consolidation provides the data CKE needs to complete its budgets, forecasts, and consolidated financial reports. While CKE's core finance group uses the application on a daily basis, another 100 or so



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department managers also use the solution. These users simply log in, press a couple of buttons, and are able to submit their financial data. Data from the company’s point-of-sale systems in its restaurants is linked to PeopleSoft ERP, which pushes the data into the planning and consolidation application.

Instead of days or weeks, CKE can consolidate company-wide data within hours. Plus, it has cut the budget cycle by one-third. “In essence, we’ve been able to morph the forecasting process into our budgeting process,” explains Hanawalt. As a result, CKE can meet financial planning deadlines by completing consolidated financial reports in a short period of time. Additionally, CKE’s management team refers to the most

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recent data available to plan for the next fiscal year. That means the senior management team has the information it needs to make informed decisions about the strategic direction of the company. This is in stark contrast to the past, when management had less time to review and discuss the numbers before presenting them to the board of directors.

Leading the Restaurant Wars

On a daily basis, Hanawalt runs what-if scenarios to determine what CKE can do better within its restaurants from a sales and cost perspective. “SAP BusinessObjects Planning and Consolidation allows us to be more agile and innovative in terms of the way we think about our information, because we can manipulate and segment the data in a number of ways,” says Hanawalt. For example, finance team members can assess the company’s profitability while excluding certain factors. They can also more easily gauge how much and how profitably a new marketing effort would increase overall revenue. In addition, they can create a new account and – within seconds – pull up a history of the

associated metrics. Previously, the finance team would have to pull each account and perform calculations in a spreadsheet to arrive at the same result.

“We can take what we know and want to know and quickly convert it into actionable data,” explains Hanawalt. “If we don’t like the result, we can analyze the

data in different ways and know that we aren’t doing anything detrimental to our system and process.”

With this information in hand, CKE can take steps to improve restaurant performance. It can now engage in productive dialogues with restaurant operators based on insights into what is and isn’t working. And restaurant operators can in turn adjust quickly. “We’re going to continue to grow and support our operators and provide a high-quality experience to our customers,” says Hanawalt. “And with SAP BusinessObjects Planning and Consolidation, our finance group can balance the delivery of a high-quality customer experience with a profitable bottom line.”

Finding New Ways to Grow the Business

To date, Hanawalt says CKE has just scratched the surface in terms of what it can do with SAP BusinessObjects Planning and Consolidation. Going forward, the company plans to leverage the application for capital planning and further improve its business processes.

“The unknown is the unknown, and there’s nothing we can do to change that,” says Hanawalt. “But with SAP BusinessObjects Planning and Consolidation, we can at least react to evolving market and business conditions in a timely manner and give our senior management team the tools it needs to make decisions that keep our company operating profitably.”



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