BusinessKPI

How BusinessKPI helped Equator Coffee Roasters automate their data, save over 30 hours of team time per month and gain holistic insights into profitability

" "I'm spending much more time now looking forward rather than looking back. I can just very quickly have a glance at what has happened and then make the changes needed."

AMBER HALL,
Co-owner, Equator Coffee Roasters

EST. 1998
EQUATOR
COFFEE ROASTERS

The Client

Equator Coffee Roasters is a growing Ottawa-based business that has been roasting, delivering and serving fresh, fair-trade, organic coffee since 1998. They operate five cafés across Ottawa and one head office and roastery that deals with wholesale and online retail of their products.

HIGHLIGHTS

Challenges:

- Managing manual data collection, compilation and analysis across five different cafés and one wholesale unit
- Spending too much time trying to bring all of that data together in one place to assess business activities, solve problems and make efficient decisions
- Reacting too late to problems leading to lost revenue and heightened costs

Solution:

- Customized dashboards and a centralized data warehouse that brings all their data together in one place to allow for a 360 degree view of their business metrics, along with support from consultants who are willing to go the extra mile to access key performance indicators that truly matter to their operations.

Results:

- Holistic insights into production and labor profitability
- Being proactive, rather than reactive
- Saving 30 to 40 hours of team effort per month that were spent in manual data collection, compilation and assessment
- 5 to 10% savings in labor costs in their cafés per month after quick informed adjustments to labor hours
- Savings in cost of goods implemented at a quicker rate each week
- More clarity on their key numbers to be able to maintain production efficiencies
- Being able to give back to their team by providing raises after implementing cost efficiencies

The Challenge
Finding a way to automate data collection, compilation and analysis across five different cafés and a wholesale unit

Quality, service, community, open-honest communication and profitability are the key values that drive Equator Coffee Roaster's business activities. Without any one of these, they'd be missing one of the key ingredients to their definition of success.

So, when it came to taking the decision to work with a software solution that would allow them to make more efficient business decisions leading to profitability, quality and service, it was an easy yes for Amber Hall, Co-owner of Equator.

"If you're not profitable, you can't continue to exist or do well for your employees or your community," says Amber who manages the finance and administration sides of the business along with providing strategic direction.

Prior to working with BusinessKPI, Amber and her team at Equator Coffee Roasters were spending long hours manually collecting and compiling data.

"We have five different cafés and we can't be in those locations at all times," explains Amber. "We were always having weekly meetings with our managers trying to figure out what their numbers were like, where their weak points were and how we could help them."

The organization had created their own internal systems to collect, track and analyze data. They were following an entrepreneurial operating system to identify data points that were important for their business and had created their own detail-oriented spreadsheets where they were manually entering data to be able to assess, analyze and make important decisions.

The process was long and cumbersome and would take away from valuable team and management time and energy that could be spent looking forward. The team would usually summarize and analyze data at the end of the month and by that time it would be too late to prevent additional costs that arose out of production or labor inefficiencies.

The Solution

A custom-built solution that automates data collection and brings all of their data together in one place, accompanied by support from consultants determined to find ways to be able to access all those key performance indicators that truly matter to their business
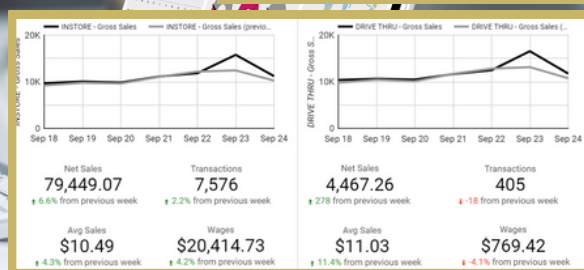
The process of implementing BusinessKPI's solution for Equator Coffee Roasters was straightforward and a pleasant experience for Amber and her team.

BusinessKPI followed their signature process of first assessing Equator's business and data needs, data sources and use cases. They then formulated a plan which included strategizing data transformation and meticulously planning for data migration.

The team then built data pipelines to automatically funnel data from different sources into a secure, centralized data warehouse. The customized solution BusinessKPI built for Equator Coffee Roasters ensures real time, scalable data

> 66 "Before, we were always reacting. We would see a problem like at the end of the month, and be like 'Oh no! We need to fix that.' But the month would have already gone by and you have lost possible profit you might have had because you had an issue."

Production Volume/Efficiency

Roasts	R - Target	KGs Produced	KGs - Target	Packages	P - Target	Packaging Wages	PW - Target %
33	27	1,738.76	1,600	2,382	3,000	8.3%	5.5%
32	27	1,835.93	1,600	2,569	3,000	5.68%	5.5%
29	27	1,659.89	1,600	2,711	3,000	4.93%	5.5%
40	27	2,329.64	1,600	3,588	3,000	5.21%	5.5%
39	27	2,260.81	1,600	3,329	3,000	5.95%	5.5%
32	27	1,713	1,600	1,998	3,000	5.08%	5.5%
25	27	1,450.48	1,600	2,057	3,000	5.24%	5.5%
34	27	1,988.12	1,600	3,156	3,000	5.74%	5.5%
31	27	1,658.26	1,600	2,177	3,000	8.04%	5.5%
42	27	2,406.32	1,600	3,818	3,000	5.49%	5.5%
43	27	2,315.85	1,600	3,232	3,000	4.76%	5.5%
26	27	1,497.12	1,600	2,245	3,000	6.75%	5.5%
32.45	27	1,879.03	1,600	2,776.62	3,173.68	5.75%	5.5%

INSTORE - Gross Sales — INSTORE - Gross Sales (previo...

| | Sep 18 | Sep 19 | Sep 20 | Sep 21 | Sep 22 | Sep 23 | Sep 24 |

Net Sales	Transactions
79,449.07	7,576
↓ 6.6% from previous week	↓ 2.2% from previous week

Avg Sales	Wages
$10.49	$20,414.73
↓ 4.3% from previous week	↓ 4.2% from previous week

DRIVE THRU - Gross Sales — DRIVE THRU - Gross Sales (...

| | Sep 18 | Sep 19 | Sep 20 | Sep 21 | Sep 22 | Sep 23 | Sep 24 |

Net Sales	Transactions
4,467.26	405
↓ 278 from previous week	↓ -18 from previous week

Avg Sales	Wages
$11.03	$769.42
↓ 11.4% from previous week	↓ -4.1% from previous week

collection, and transforms that data to be able to visualize all those key performance indicators that truly matter to their business.

"I enjoyed working with them very much," shares Amber. "They put in a lot of time to understand what was important to us. They took the time to go to our third party provider and work with them to create solutions."

"They were able to adjust little things like color coding to show when things were above expectations or below expectations, to just changing all the little details of how something is positioned, how it refreshes, how often the information is accessed. They were very detailed at getting to the right solution that would work for us, as well as being cognizant of the cost – the on-going cost of the data that's being stored."

Honing in on the most important KPIs for their business was a learning process for Equator Coffee Roasters, but Marcos Gutierrez and Prabhu Kiran were with them every step of the way, testing, tweaking and coming up with solutions that worked best for their company.

"Both Marcos and Prabhu are very knowledgeable in what they're doing," says Amber.

> "They worked really hard with us to understand our needs and then even to adjust down to very specific requirements as the project was implemented. And we could see what was most useful and what wasn't.
>
> They were very quick to respond to any requests for changes or data points that we needed that weren't existing at that point. They've been fantastic.
>
> I really would recommend them highly."

Amber was particularly impressed by BusinessKPI's determination to be able to access all their important data.

"I think we have certain softwares we use that aren't necessarily standard, but they worked with our software partners in order to find solutions to be able to access that data and to automate it," she says. "It wasn't easy, but they persisted and found ways to do that. So, I just really appreciated both their determination to do it in a complete way, but also to make it easy."

30-40 team hours saved	**5-10%** savings in labor costs
per month that were otherwise spent in manual data collection	for front-end café services after informed adjustments
Quicker decisions + adjustments	**More clarity** on crucial KPIs
leading to cost savings and profitability	contributing to production efficiencies

The Results

Integrations and automations allowing time and cost savings, efficient business decisions, clarity on crucial KPIs and money freed up to share back with their team

Working with BusinessKPI has enabled Equator Coffee Roasters to get holistic insights into their business, particularly labor and production profitability.

Although Amber did hesitate the first time she was considering making the investment, she now sees that the investment has been worth the benefits they have gained.

66 "There is a cost to it definitely, but I think what we are finding is that with the savings, both in time and in faster adjustment, it makes up for that cost. And I really appreciate having that now."

- **The ability to be proactive instead of reactive**

Having instant access to all of their important metrics on a single dashboard that is easy to interpret has been a game-changer for their business.

66 "What BusinessKPI has done for us is to automate that data collection and present it in a way that's really easy to interpret so that I can look at any of the stores' scorecards at any point in time and know where things are at and *address them proactively*. And our managers don't have to spend that time collecting the data. They can actually just open up their computers and be able to see it and understand it and know if they have to make adjustments, whether it's through labor or cost of goods."

As a company, Equator has been able to quickly identify patterns, make adjustments and avoid costly mistakes.

"For me, I'm spending much more time now looking forward rather than looking back," says Amber. "I can just very quickly have a glance at what has happened and then make the changes needed. So that's a really big difference. I think it also helped our managers understand the

numbers much better when they can see their changes and what the impact is really quickly and not, you know, a month or two later."

Before implementing BusinessKPI's solution, Amber found that she and her team were always reacting and only seeing mistakes at the end of the month when they would be going over their metrics. They were reacting too late to problems and therefore losing out on revenue and profits because they ended up doing an unprofitable practice for way longer than they needed to. Now, they can identify the issue and adjust it within a week.

"Now, we can see that daily, weekly and adjust more quickly," she explains. "That way you can be much more efficient and profitable."

- ## **Savings of valuable team hours and energy**

BusinessKPI has made life much easier for Equator's team leaders. The team has been able to save between 30 to 40 hours per month in the time spent on collecting and assessing data. Now café managers no longer have to sit at their desk extracting cumbersome information and instead can direct their time and energy to being on the floor working with their staff and customers.

"For our café managers, we were assessing that it was taking them between an hour and an hour and a half per week to compile the data that is now automatically shown as well as the full history," explains Amber.

> 66 "Before, we would be looking at one month at a time of data. And then you'd have to dig deeper to find the history. Now, we've got current data and all of the previous weeks. You can see trends. You can see patterns and and it's instantaneous for them really, like they don't have to put in that time."

It is in this way and others that BusinessKPI's solution has had the greatest impact for Equator's cafés managers.

"For the managers to have more timely information, to be able to actually understand what it means, and the implications of making even one percentage point change and what that does for the efficiency overall – I think that is the biggest impact really," says Amber.

- ## <u>Savings on labor hours and costs as well as cost of goods</u>

The team has been able to quickly make informed adjustments to front-of-house service, kitchen and drive-through labor hours, allowing them to save on labor hours and thus costs. Amber says the company has been able to make 5% to 10% savings in labor costs per month since working with BusinessKPI.

Having up to date metrics that are easily accessible in their dashboard has also allowed the company to make efficient decisions when it comes to meeting their cost of goods targets. They implemented price increases and changes in ordering so they weren't ordering more products than were needed in any given week and have been able to see when stock isn't moving.

- ## <u>Clarity on key business metrics</u>

The company has also discovered their "magic number" for production efficiencies thanks to having easy access to an extended history of data that is easy to interpret.

"We have learned in terms of our production department, if we have a week with less than 27 coffee roasts, cost per bag becomes much higher. That's like a magic number that we've now discovered. So if we are producing coffee and we have a slower week, we might actually jump ahead and do a few extras for the following week in order to keep the efficiency at the cost per bag level. So those key numbers have become really clear to us."

> 66 "It gives us a really clear picture of where the problem is and where the adjustment needs to happen," says Amber.

On the wholesale side, they have been able to track metrics for their deliveries and assess what an efficient day looks like for their delivery driver and what an inefficient day looks like and what cost per delivery is coming down to.

That way they have been able to make decisions about whether or not to divert more deliveries to their delivery driver or whether to divert some deliveries to a third party on any given day based on the cost.

- **Efficiently planning the future**

Having a 360 degree view of their business has also opened the door for them to efficiently plan ahead for the future.

> "I think that we have a much better way now to assess the feasibility of new projects, like if we were to consider another location, we now know what sales we need to have, what margins we need to have, what labor we need to have, and if we can look at that and see that it's not going to meet those standards, then we can just decide not to proceed with it rather than getting into it and six months later realize this wasn't a good idea."

- **Sharing back with their team**

The benefits of all those key metrics, data and numbers has extended beyond just those computer dashboards, trickling down to their team.

Like Amber said, a key ingredient to their definition of success is giving back to the community. And one way they do that is to share back with their team. Finding savings and efficiencies in production processes has allowed Equator Coffee Roasters to give pay raises to their production team.

"After understanding the numbers and then making the adjustment to create those efficiencies, we freed up money to be able to share back with our team," says Amber. "So it's beneficial even to our staff at that level."

Want to use your data to accelerate your business?

Get a 360 degree view of your business by working with BusinessKPI.

Get in touch today!

Email marcos@businesskpi.com

BusinessKPI

Get started

What other team members at Equator are saying about BusinessKPI

"Implementing this solution has saved a significant amount of admin time, which has allowed me to keep my focus on the floor/customer needs when I am working with my employees. The old spreadsheet was great and detail-oriented, but required a lot of searching for numbers and calculating, which took up more time.

The program gives a very clear and easy to read overview on multiple weeks of data, which is great for comparisons and finding opportunities to improve. Managing a café involves a lot of behind the scenes administrative work, and I have found the automatic scorecards very helpful in efficiently summarizing my goals for the week/month/quarter to come."

- Julia Bursey, Café and Drive Thru Manager, Equator Kanata

"By implementing this system, we have seen some instances where we can improve our workflow and begin retraining on certain aspects of jobs."

- Justin Houle, Roastmaster and Coffee Technician, Equator

"The dashboard has been very helpful to have relative understanding of company performance, resulting in better decision making in a timely manner. It has decreased the resources required previously, and allows our team to focus on the important stuff, like creating strategies based on the results of the reports. Our weekly performance meetings have decreased by one hour, because of the effectiveness of the dashboard."

- Tiffany Gaumond, Website Manager and Logistics Coordinator, Equator

"The BusinessKPI automated scorecard has saved me a couple hours a week which would have gone to manually calculating my scorecard as well as the time spent pulling the data from different platforms such as Square and Homebase. It has further helped me determine how to create my schedule with labour efficiency in mind as well as tracking sales trends throughout the week. I particularly like the dashboard provided with the service as it provides for a great high-level view of the cafe's sales trends and costs."

- Ryan King, Café and Drive Thru Manager, Equator Almonte