

HARRI: HELPING A PRIVATE EQUITY FUND PROTECT AND GROW THE VALUE OF ITS RESTAURANT INVESTMENTS

Private equity can be a tough business. So is the restaurant industry. Imagine combining the two.

A private equity firm first and foremost must have wealth. And it must be adept at conserving and building that wealth. Those are the main criteria for success. As for running a restaurant, the margins can be thin. This is why, for any restaurant, among the most time-consuming activities (and greatest operational costs) are those associated with employing people effectively and compliantly. Scheduling is a big one here. Putting together employees' hours is another. With non-exempt staff's fluctuating hours and toggling between workweeks considered part-time and full-time under the law, benefits administration can be a big challenge, too.

Josh Boshard, chief operating officer of Savory Fund, met Harri CEO Luke Fryer in 2017. This was well before Boshard elected to turn exclusively to Harri's solution for his HCM-related needs at all the restaurants in Savory Fund's portfolio. Boshard describes Luke and the Harri team as "hands-on and very engaging. They listen to understand what Harri's current and potential customers want and need."

At a restaurant, these operational costs have a way of easily getting out of hand, amplifying typical challenges for investors in this space. One of the main ways PE firms maximize the value of their investments is by keeping an eagle eye on the operational costs incurred to minimize them wherever possible as a way of showing and growing financial value.

When Harri Met Savory Fund

3Sixty Insights has spoken with many customers of [Harri](#), provider of artificial intelligence–bolstered cloud software to manage the employment of front-line staff in industries where the challenges of doing so are especially intense (e.g., hotel and leisure, restaurants). Beyond their high level of satisfaction with the solution itself, many go out of their way to point out that Harri CEO Luke Fryer is hands-on, an exceptional direct advocate for the vendor. And it's readily apparent that he plays the long game.

For example, take [Savory Fund](#), a private equity firm. [Josh Boshard](#), chief operating officer, met Fryer in 2017. In the intervening years, and since officially deploying Harri, he has worked directly with Fryer to influence Harri's toolset to include the functions that Savory Fund needs for its restaurants. Boshard describes Luke and the Harri team as "hands-on and very engaging. They listen to understand what Harri's current and potential customers want and need."

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AT A GLANCE

Solution

Harri

Research Participant

Savory Fund

Synopsis

This Case Study Vignette shares how restaurant-focused private equity firm Savory Fund's Chief Operating Officer Josh Boshard found refuge in Harri, advanced cloud software for the management of frontline employees. Harri's artificial intelligence–infused functionality has helped tame related operations, bringing a near-immediate 1 percent to 2 percent cost savings across Savory Fund's investment portfolio. Boshard now deploys Harri exclusively.

CASE STUDY VIGNETTE

Restaurant Investment Firm Savory Fund Sees Near-Immediate 1-2% Cost Saving in HCM Wherever It Deploys Harri



About Harri

A technologically advanced solution, Harri provides a broad suite for human capital management well-suited to supporting a topnotch Frontline Employee Experience. The Harri platform is built for companies that have service at the heart of their business and believe that the customer experience will never exceed the employee experience. The Harri suite of talent attraction, workforce management, employee engagement and compliance technologies enable organizations to intelligently attract, manage, engage and retain the best talent to run and improve their business. With emerging growth in retail and healthcare, Harri already serves more than 22,000 restaurant and hotel locations and four million hospitality employees globally.

Chief Operating Officer as Stakeholder in HCM Technology

It happens and only stands to reason that Boshard would have ongoing, direct involvement in informing Harri's development team of how to optimize the solution for Savory Fund. Boshard's story is emblematic of dynamics that 3Sixty Insights often sees in decision-making around HCM. In [analyzing](#) users' experiences regarding the constantly evolving technology-buying process across all of HCM, we learn of myriad user-side stakeholders. These are not necessarily the usual suspects or the conventional participants of the past. One such emerging stakeholder is indeed the COO, whose relevance comes heavily into play, in particular, when the HCM solution is especially frontline staff-facing. HCM is especially frontline staff-facing at any restaurant, of course. And while, by their nature, single restaurants or very small chains of them may not have COOs, larger chains may, and it is logical that an outfit like Savory Fund would have one.

Keeping Costs Associated With the Management of the Employment of People in Check

As COO, "my role is an interesting one," says Boshard. "I manage our IT team, our HR division, and our operations in our facility management. So I play a diverse role here in setting up the right types of systems to be able to scale and grow our brands." Typically, Savory Funds acquires brands for its portfolio once these brands have grown to three to five units. "We put in technology, systems and infrastructure allowing them to scale sales and grow store count."

CASE STUDY VIGNETTE

Boshard credits Harri with providing the very platform necessary to do just this. A few years after meeting Fryer and subsequently collaborating with Fryer and the Harri team to help to shape the vendor's software in order to meet his investments' needs, Boshard elected to turn to Harri exclusively for all HCM-related needs at the restaurants in Savory Fund's portfolio. Every restaurant under the aegis of Savory Fund now deploys on Harri, and the benefits to operational efficiency have become patently clear. The following sidebar provides pertinent details.

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Harri Impacts Portfolio-Wide Improvements, Cost Savings for Savory Fund

Savory Fund owns and operates 120 restaurants across 8 brands. Savory partners with restaurant founders, takes majority control, and puts systems and processes in place that allow for scale. They are a curator of best practices for restaurant management and make their people a priority.

Josh Boshard, chief operating officer at Savory, initially sought a system that enables employees to have a positive, streamlined onboarding experience. After working with many different systems, Harri has become Savory's system of record with any other systems built onto Harri.

Harri presents Savory's leaders and managers with a quick view of same-store sales growth trends, year-over-year results, sales activity, cost of goods, hourly and salary labor amounts, and turnover percentages in a customizable dashboard. This gives the employees on the front line a clearer picture of what's going on in their stores.

Boshard believes Harri is a crucial element of Savory's success. Each quarter, Savory conducts a net promoter score (NPS)-based employee survey to understand how well staff feel about the culture, their managers, their shifts, the time-off request system, and the onboarding process. Savory then overlays the resulting NPS scores with performance data from Harri, key performance indicators (KPIs), and P&L. This yields a clear view of each store's performance, and Savory can then take all the NPS scores, read through every survey response, and immediately address any HR issues that arise.

Implementing this strategy per store, per district, and per brand is how Savory wins. "If your employees can onboard, access all of their documents, view and change their schedule, and receive communication from managers all in one place, you've won because no other restaurant group has one single system enabling employees to do what they need to do," Boshard said.

Savory has integrated Harri across all eight brands, all disparate brands under the broad restaurant category, from quick serve to drive-through to fast casual to counter service to fine dining. When Savory installs Harri, the company layers in two things — a system that works and a process on the backend that also works. This transition results in a quantifiable 1 percent to 2 percent reduction in HCM-related costs per brand. "Ultimately, the results from implementing Harri are lower labor costs, easier onboarding, and a better employee experience," says Boshard.

3Sixty Insights Inc. Navigating the Information Technology Buying Process.

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