

FRONTLINE EMPLOYEE EXPERIENCE PLATFORM HARRI DRIVES OPERATIONAL AND FINANCIAL EXCELLENCE FOR JERSEY MIKE'S SUBS

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What You Need to Know

At what point does a business pause to consider the costs of managing HR processes on paper and in digital spreadsheets? Where does the push come from to trigger an analysis of manual processes vs. automation? In many cases, manual processes work just fine and a 'don't fix it if it ain't broke' perspective leaves those processes neglected until a problem arises. Because something is working, however, doesn't necessarily mean that it's efficient. What if transitioning human capital management (HCM) processes from manual to automated can save a significant amount of time, money, and frustration for your business? HCM automation enables swift execution of scheduling and recruiting processes that currently consume large chunks of time for businesses. Automation alleviates complex and time-consuming scheduling processes for managers and supervisors, ensures compliance with labor laws, and satisfies today's employees who are looking for flexibility and self-service scheduling tools.

Exploring, evaluating, selecting, and implementing an automated system may seem daunting. How does a business even begin the process? 3Sixty Insights had the opportunity to explore this exact scenario with [Jersey Mike's Subs](#). To help franchise owners achieve growth and sustain it, Jersey Mike's provides each franchisee with all the support and the best tools available so they can be as successful as possible. One such tool Jersey Mike's provides for franchise owners is [Harri](#). This paper examines how Harri was chosen by Jersey Mike's at the corporate level and by two franchise owners.

About Harri

Harri offers a next-generation frontline employee experience platform that drives operational and financial excellence for service-based businesses by empowering them to focus on their greatest asset — their people. The Harri suite of talent attraction, workforce management, employee engagement, and compliance technologies enable businesses to intelligently manage, engage, and retain talent. Harri serves over 20,000 restaurant and hotel locations and four million hospitality employees globally with emerging growth in retail and healthcare.

Harri's end-to-end HCM suite helps businesses streamline operations and overcome challenges such as labor cost management, compliance with wage and hour laws, and scheduling conflicts. Harri's solution empowers managers with real-time data analysis, which helps them make data-driven decisions that improve

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AT A GLANCE

Solution

Harri

Research Participant

Jersey Mike's Subs

Synopsis

To learn why Harri is exceptionally well-suited to franchisee quick-serve restaurants, 3Sixty Insights spoke with the chief information officer of Jersey Mike's Subs. A collaborative effort between the two companies led Jersey Mike's to make Harri available to all franchisees.

Additional conversations, with two of the company's successful multiple-store franchisees, unearthed evidence that Harri not only eases compliance and leads to significant newfound efficiencies, but also empowers owners to focus on their people and expand — thus helping bolster Jersey Mike's growth strategies.

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employee productivity and engagement. With Harri, managers optimize scheduling processes, automate time and attendance tracking, and improve communication across teams.

Harri's artificial intelligence-based functionality is good for the kind of WFM and HCM that HR people and owner-operators (e.g., franchise owners) in restaurants, retail, healthcare, hospitality and similar environments must contend with to manage volatile scheduling, high employee turnover, and hiring for transactional-skill jobs.

About Jersey Mike's

Jersey Mike's Subs is a submarine sandwich chain headquartered in Manasquan, NJ. Operating on a franchise business model with approximately 2,000 stores across the United States, Jersey Mike's is growing rapidly. The company attributes that growth to their investment in tools for franchisees that automate processes and streamline operations.

Building Systems In-House

Jersey Mike's corporate IT department consists of 80 people and prides itself on all of the systems they build and maintain in-house. "We have our own POS [point of sale], ordering system, and loyalty program, and all the credit card processing terminals operate on our code," says [Scott Scherer](#), chief information officer at Jersey Mike's corporate headquarters.

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Here's an example of Jersey Mike's approach in normally developing their solutions in-house: in the late aughts, Jersey Mike's had 250 stores and was searching for a POS system. All the solutions they found at the time catered to pizza concepts and couldn't do everything Jersey Mike's was looking for. Some even required them to operationally do business differently. This exploration led Jersey Mike's to make the decision to develop their own POS system. Their business wasn't complicated and their menu was simple, with few modifications needed. Jersey Mike's ended up buying a startup software company, configuring their POS software to Jersey Mike's specifications, and then rolling out to approximately 200 stores. Two years later they implemented a POS that was custom designed to their unique needs and completely owned and maintained in-house.

"The unique thing we did in the business to get a franchisee to buy into something that's going to cost them money is we bought it for them," Scherer says. "We sent our original 200 franchisees the

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.

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hardware and the software and didn't charge them anything. That's how we got their buy-in. From then on, our franchise agreement includes the exclusive use of our system. That's how we're able to get 2,500 people on the exact same hardware and the exact same software."

Key Challenges That Drove Investment

Establishing a universal POS system across franchises was just the beginning for Jersey Mike's. Their growth and investment in creating tools for franchises led to the in-house development, as Scherer notes, of an ordering system, a loyalty program, and operating credit card processing terminals with in-house code. When it came to specialty systems like Harri, however, Jersey Mike's made the rare decision to purchase a third-party system.

"With very few exceptions, like Harri and a product called Crunchtime, do we use third-party software. We stay away from developing our own labor management tools just because of the legal ramifications and the complexity of each state's regulations. We're in 50 states now which means 50 different sets of labor laws to keep track of. The same thing comes into play with food costs, inventory, and ordering on the Crunchtime side. There are too many distributors, wholesalers, and integrations to manage."

Upside for Franchisees

As for the franchisee side of the question, [CR Waldrop](#) puts it nicely in describing typical key challenges behind Jersey Mike's store owners' individual decisions to avail themselves of Harri, which Jersey Mike's has since made available to all franchisees. On the Christmas Eve immediately preceding his decision to implement Harri, his office flooded, which destroyed a considerable amount of critical employee documentation. The event made it more than clear that it was time to get rid of paper processes and move to cloud-based solution to house employee data.

Beyond this, operational HR had been incredibly time-consuming. The owner of 15 franchises today and with four more on the horizon for a total of 19 stores by the end of 2023, Waldrop says that before Harri, "it was challenging for us as far as keeping track of scalable strategies on how we can watch our pennies in order to make the most out of our schedules. There are thousands of dollars that can be left on the table, just from the scheduling process. Our schedules were made with pen and paper. Our managers would transfer time punches from the POS by hand, write them down, and then send them to our office where we'd then manually input them into our payroll service. That's an incredible amount of redundancy and manual work. All of this administrative tedium led us to the realization that we had to make a change."

Waldrop has also been transitioning his stores away from writing physical checks for their 300 employees every payday to ADP, one of several well-known, capable payroll solutions that port into Harri

Harri: Working with Jersey Mike's to Optimize the Solution for the Franchise Restaurant Model

"We love startups and it's been our philosophy that if there's some new and cool thing, like AI, we look at a startup company because we can help drive and refine their product to help our business," says Jersey Mike's Subs CIO Scott Scherer. "We were fortunate to collaborate with Harri and help them develop and refine their franchise model. We had a seat at the table during development meetings and our projects were at the top of their pile. We like collaborating directly with Harri and explaining how we think something should work — then listening to how they think it should work and devising the solution together. It's definitely a positive knowledge-share relationship that's benefited both of us tremendously. Plus, Harri and other startups love it because we have 2,500 stores where they get to test and prove their products work. If it works for us, it's going to work for others."

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(which does not itself offer native payroll functionality). To implement that change, they need a less cumbersome and secure way to share timesheet data with the payroll company. This change further compelled Waldrop to look into using Harri and speed along that integration.

Considerations in Evaluating Solutions

Notable to the story is that Jersey Mike's in fact played a pivotal role in working with Harri to optimize the latter's solution for the restaurant industry. A few years ago, Scherer happened to meet Luke Fryer, CEO of Harri, at a leadership conference and got to talking about automating labor management. At the time Harri was a young company beginning to make a name for itself in the hospitality industry. Scherer liked what Harri had to offer but needed the HCM system to be optimally useful for franchises. "Since we got in on the Harri platform from the beginning, we asked Harri to develop enhancements that would benefit us as a franchise company," Scherer says. "We worked closely with Harri to help them build the components that make it franchise friendly."

Scherer looked at multiple companies both on the recruiting side and on the labor side finding there was nothing that connected the two well. "It's great to make a schedule, but if you don't have current sales data, and you don't have historical sales data, you don't know how to put together a good schedule," Scherer says. "A store knows what they're going to do every day, probably for weeks in advance.

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That makes our schedule very, very simple. But when we start getting into refining a schedule, and looking at trends, if we use 15 minutes here and 10 minutes there, it adds up quickly, especially for a multi-store owner with 10, 20, or 30 stores. Once we were hooked in with Harri, and had a seat at their table, it was a no-brainer for us to keep going with them."

Reaching a Decision

Ultimately, Jersey Mike's needed an innovative labor solution to continue its aggressive growth path. More and more regulations regularly turn up, and each state has a different set. "We were spending too much time playing Whack-a-Mole with labor legislation," Scherer says. "If we take a look at the labor costs of a store in California, those prices are 30 to 40 percent higher than a store in North Carolina. Then, if we're going to base labor estimates on sales, not labor percentage, North Carolina is going to have a lot higher

Jersey Mike's: Trusted Advisor to its Franchisees

Owners trust Jersey Mike's and appreciate corporate's attention paid to its franchisees. Josh Barton, owner of five stores, "Jersey Mike's always doubles down and invests in their multi-unit operators. And I believe they only recommend and provide tools that help us. They don't mess around when they make those types of recommendations. They have a lot of credibility with their franchisees. So, when they make these recommendations, we save all this time and have all these processes that keep us compliant and legal. There's just an endless amount of value to Harri and what Jersey Mike's provides us."

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sales in dollars, but they may be selling fewer subs. So, we use the concept of bread count, the number of subs that a store makes. We can count the bread and see that the California store is doing 100 compared to the North Carolina store that's doing 125. This data tells us the North Carolina store is busier and needs a heftier schedule. We introduced this concept to Harri because we're on their inside track and they were able to build this into the system."

From the individual owner perspective, franchisee [Josh Barton](#), owner of five stores, was seeking more structure and process for his business and immediately saw the value in Harri's platform. "Keeping things organized with candidates and employees is huge. Eliminating the paper applications, the payroll process, the timekeeping aspect, the pay datasheets, for me, Harri shaved off a ton of time operationally," Barton says. "Everything just gets streamlined and efficient through Harri. It centralizes and consolidates all of the processes into one platform so I don't have to jump around to a variety of different tools. Harri brings order to a lot of stuff, which opens up time for me to focus more on growing the business. It's made my job more efficient."

Pleased with how the system integrates so smoothly with Jersey Mike's POS system, Waldrop echoes sentiments similar to Barton's. "Learning about the average cost savings with Harri is what tipped the scales for us." He also likes the one-stop shop for support and how well the tools work together. "Jersey Mike's corporate took on all the hard work to integrate Harri with our systems. This made it very easy for me to deploy the scheduling software in my stores."

Implementation Experience

As mentioned, Jersey Mike's handles all of the integration, API development, and frontline support for franchisees so they have a one-stop shop. Jersey Mike's does not mandate that franchisees use Harri. The company highly recommends integrating Harri, but lets franchisees come to their own conclusions about how to run their stores.

"When franchisees call our help desk, we work with Harri directly to troubleshoot and solve problems. We act as the middleman and franchisees love this," Scherer says. "We've also had situations where franchisees worked directly with Harri. A beta group of franchisees collaborated with Harri to create a multi-unit view on the desktop. This enabled franchisees with, say, 10 stores to view and compare performance data of all 10 stores at once."

Says Barton, "Jersey Mike's provides franchisees with incredible support and tools. I found out about Harri via the franchise portal and it was the consolidation of processes and time-saving elements that sold me on the system. I really liked this solution from corporate that I could just implement and save my managers from clunky manual processes. I want my managers to have time to engage with employees and focus on fostering a working environment that keeps employees happy and customers coming back."



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Scott Scherer

Chief Information Officer
Jersey Mike's Subs

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Results

Franchisees are adopting and using Harri's whole suite of tools across the Jersey Mike's universe—about 800 stores so far, and that number is growing organically. Scherer has recently discovered another benefit to implementing Harri, stores are starting to use the communication add-on. "Corporate-wide communication is a problem we've been trying to solve for years," Scherer says. "It's encouraging to see stores adopt new technology and solve this problem for themselves."

Newfound Efficiencies

Through Harri, stores are saving money when it comes to scheduling and other operationally heavy aspects of their HR. Part and parcel of this, a valuable feature is Harri's employee mobile application. Individual franchisees report that their staff can quickly check their schedules, make changes, and swap shifts with people, which gives their workforces more ownership of their work schedules and results in higher engagement when they're on the clock. Harri also streamlines onboarding. The entire process is online, which eliminates piles of paperwork for managers, gets workers up and running fast, and ensures all labor compliance is complete before an employee starts work.

Compliance Readiness

An additional benefit to implementing Harri is the compliance piece. Harri delivers risk mitigation and minimizes the risk of potentially having to pay non-compliance fines. When there's a good system in place, you can just basically press a button and hand over a report. In New Jersey, for instance, if there isn't a proper employee, that non-compliance can result in a \$2,500 fine per employee. Accurate information must be produced at the time an auditor visits a store.

In action, the solution is effective. A Jersey Mike's store in California recently had a labor audit, according to Scherer. Right there, on the spot, the store was able to run a report and hand it over to the auditor. Without Harri, the store would have had to sort through

raw data, dig through spreadsheets and sift through piles of paper to come up with the same information. Now, "when there are Labor Board audits," Scherer says, "the stores pass with flying colors. Franchisees tell us that it was purely because of the information provided by Harri."

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Says Waldrop, "Harri prevents you from having an employee start work who hasn't finished filling out their onboarding paperwork." With Harri, an employee cannot clock in and cannot be scheduled until all working papers are complete, thus greatly helping to ensure compliance with labor laws. "It forces us to make sure we dot our i's and cross our t's before we get someone working in the store."

Looking Ahead

Existing franchisees are behind 85 percent of Jersey Mike's new store openings, and from within is how the company plans to drive growth. Moreover, Jersey Mike's has supported and grown more than 250 people who, starting out as part-time employees, are now franchise owners. And, when those now-existing franchise owners think about expanding, one of the things they wonder is whether they can handle all the backend that comes with adding stores. Providing them with the right HCM technology package is a big deal for their success.

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“We are pretty much hands off,” Scherer says. “They go run their store, and we take care of all their technology, internet security, and PCI. We give them the ability to use Harri, which is completely integrated into our POS. This is a big selling point for buying a franchise.”

When existing Jersey Mike's franchise owners think about expanding, one of the things they wonder is whether they can handle all the backend that comes with adding stores. Providing them with the right HCM technology package is a big deal for their success. This is where Harri has been a major benefit.

The result is a highly efficient, effective ecosystem for running stores. Says Barton, “I don't even live where my stores are, and I'm able to manage and to see from afar all the metrics that help me gauge and determine value on each part of how the business functions. Harri helps 'accidental HR people' like myself bring order to the operational side of HCM so I can focus on my people from a strategic standpoint. I wouldn't be able to open more stores and plan more of them for the future without having Harri in place.”

With Harri's solution and collaborative, friendly approach to building relationships, Jersey Mike's is empowering its franchisees with fast returns on investments and expectations. On the heels of newfound efficiencies and the streamlining of otherwise time-consuming compliance, these franchisees are seeing improvements not only in their employees' productivity and engagement, but also in their own effectiveness as hands-on owners and people leaders.

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

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