

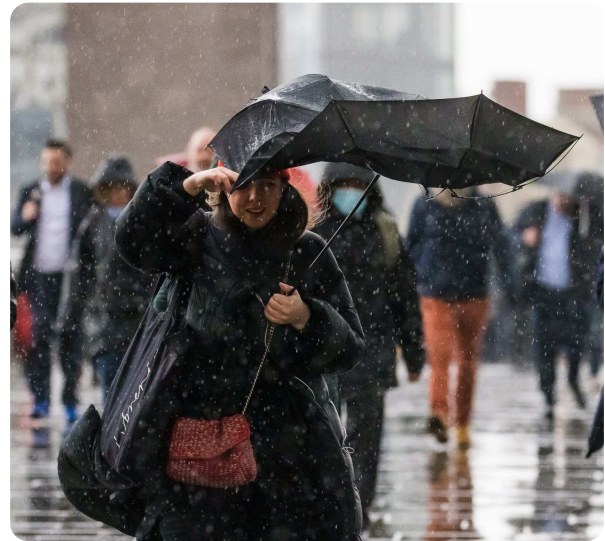
**So, what's the minimum
wage survive + thrive
playbook?**

Minimum Wage... Maximum Pain



Cali

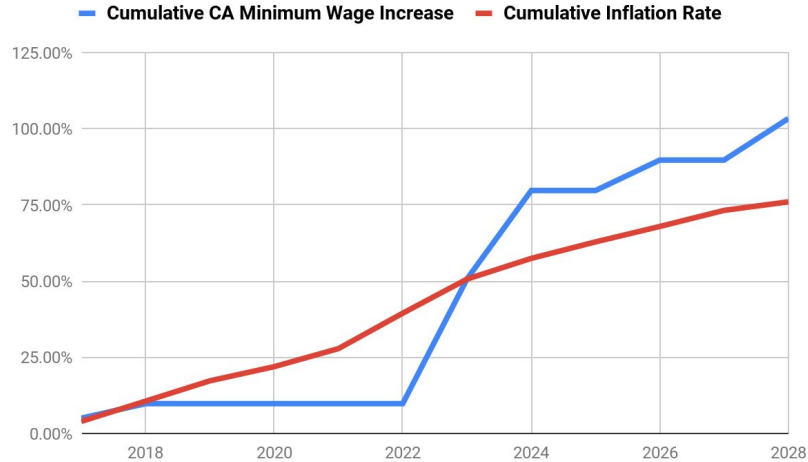
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VS
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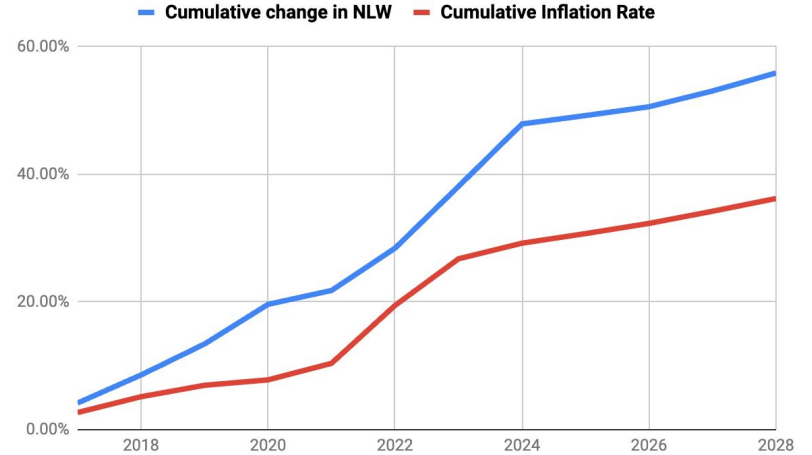
Blighty

NMW will continue to increase at a higher rate than inflation

Option 2



Cali

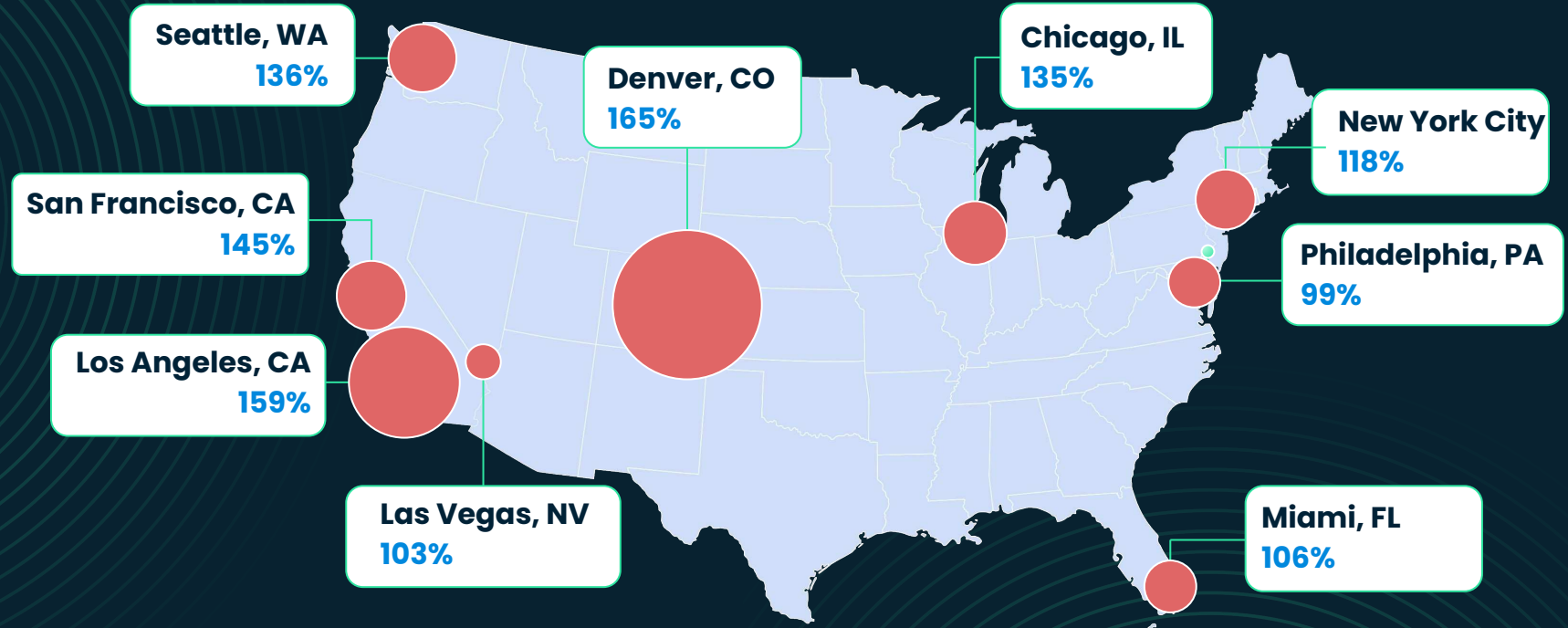


Blighty

US National QSR Wage Parity Survey

Market Wage : Selling Price

US Averages:
Selling Price: \$12.59
Market Wage: \$16.58
Mkt Wage: Selling Price: 132%



UK National QSR Wage Parity Survey

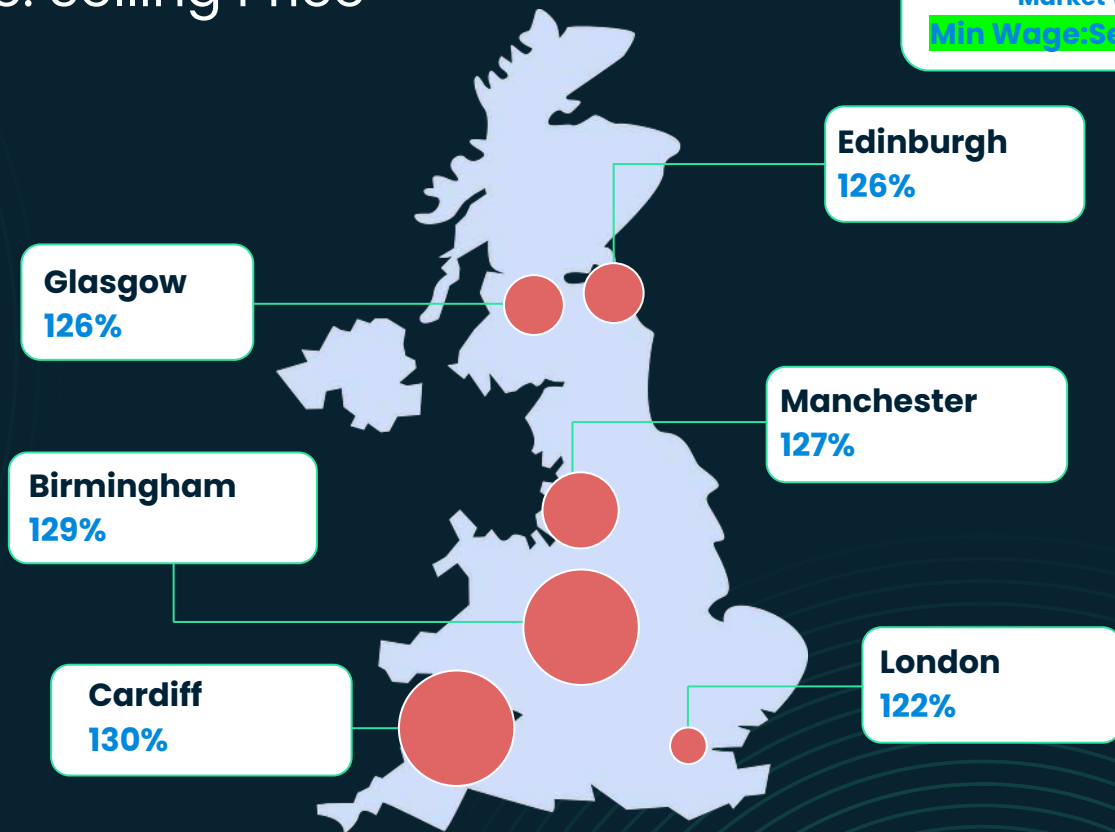
Market Wage: Selling Price

UK Averages:

Selling Price: £9.04

Market Wage: £11.55

Min Wage: Selling Price: 127%



Bottom Line Impact

California

- \$250,000 per location in additional wage cost
- Contagion to other restaurant segments
- Contagion to adjacent verticals
- Compression across hierarchy

United Kingdom

- £ 79,560 per location in additional wage cost
- Simplified wage differentials across hierarchy

**So, what's the minimum
wage survive + thrive
playbook?**

✓ Prevent wage theft

✓ Optimal labour deployment

✓ Reduce exceptions

✓ Enforce schedules

✓ Forecast demand

✓ Improve employee retention



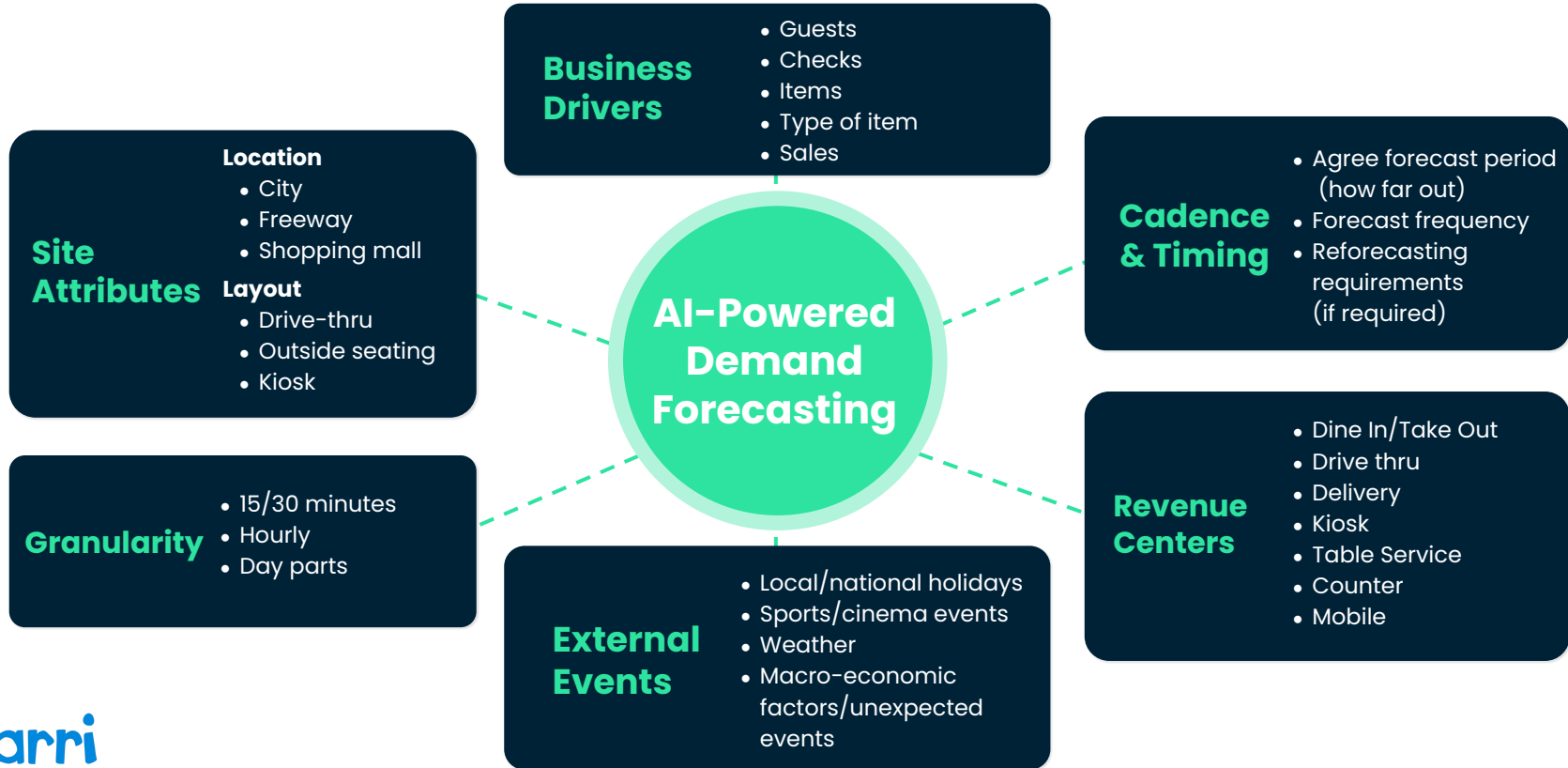
STEP 1

Precise Demand Forecasting

AI engine factors hundreds of multi-dimensional data points to predict and adapt demand.

- Considers hundreds of **critical factors**
- Augmented by **manager intuition**
empower (not eliminate) the human
- Adapt and **get smarter over time** for unmatched accuracy

Demand forecasting needs to consider all these factors:



Forecasting Must Update & Evolve

Historical Data

Sales

Transactions

Menu Items

Revenue Centers

Labor Hours

External Data

Weather

Holidays

Events

Promotions

Forecasting Model

Analyze Data

Identify Key
Attributes

Adapt to
Changing
Attributes

Train & Optimize
Model

Regenerate
Forecast

Monitor Forecast
V. Actual

Update & Retrain
Model

**Building better
forecasts.
Building better
managers.**

harri

STEP 2 Unpacking Labor Optimization



**Demand
Forecast**

**Automated
Schedule Build**

**Intelligent Team
Assignment**

**Dynamic Controls
+ Employee
Flexibility**

**Tune and optimize
through feedback
loop**

**Schedule the right
shifts to meet
demand**

**Right – people, time,
place, quantity,
skills**

**Be ready for
inevitable changes**

**Did the schedule
deliver a “great shift”**

STEP 3

Minimizing Exceptions

Wage and Hour daily and weekly exceptions in UK:

- Minors
- Visa regs
- EWTD

Wage and Hour daily and weekly exceptions in US:

- Federal overtime
- State/local overtime
- Weekly vs daily overtime
- Fair workweek premiums
- 7th consecutive day
- Reporting time pay
- Break penalties
- Minors
- 1,763 regulations across 50 states
- Can impact wage cost 10-15% in a week

Risk Detection

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-

Unscheduled Shifts

26
of 200

- 4
- 2
- 2
- 1

PIN Clocks-in

66
of 200

- 3
- 2
- 1
- 1

Break Discrepancy

18
of 200

- 3
- 2
- 1
- 1

Non Standard Hours

13
of 200

- 4
- 2
- 2
- 1

End of Week Attestations

26 Not Reviewed | 26 Protested
of 200

- 3
- 2
- 1
- 1

Time card edits

20 Employee | 40 Manager
of 200

- 4
- 2
- 2
- 1

Biometric Alerts

44
of 200

- 3
- 2
- 1
- 1

Clock out issues

136
of 800

- 3
- 2
- 1
- 1

Voids & refunds

27 Discounts | 13 Voids | 15 Refunds
of 200

- 3
- 3
- 3
- 1

Risk Detection Score

28

122

44

Employees for review

- Yvonne Knight**
Biometric Alerts (4)
- Alan Marti**
Biometric Alerts (4)
- Kondo Leyasu**
Non Standard Hours (4)
- Wim Willems**
Non Standard Hours (3)
- Gopichand Sana**
Unscheduled Shifts (3)
- Jurrien Oldhof**
Unscheduled Shifts (3)
- Amolika Shaikh**
Break discrepancy (2)
- Hashim Briscam**
End of Week Attestations (2)
- Izumi Katsuyoshi**
PIN Clock-ins (2)
- Bansilal Brata**
Voids & Refunds (2)

STEP 4

Enforce Schedules/ Eliminate theft

-
- Biometric Control
 - Enforce clocking
 - Enforce Schedules
 - Track exceptions
 - Detect Risk

STEP 5

Improve Retention

5 Steps

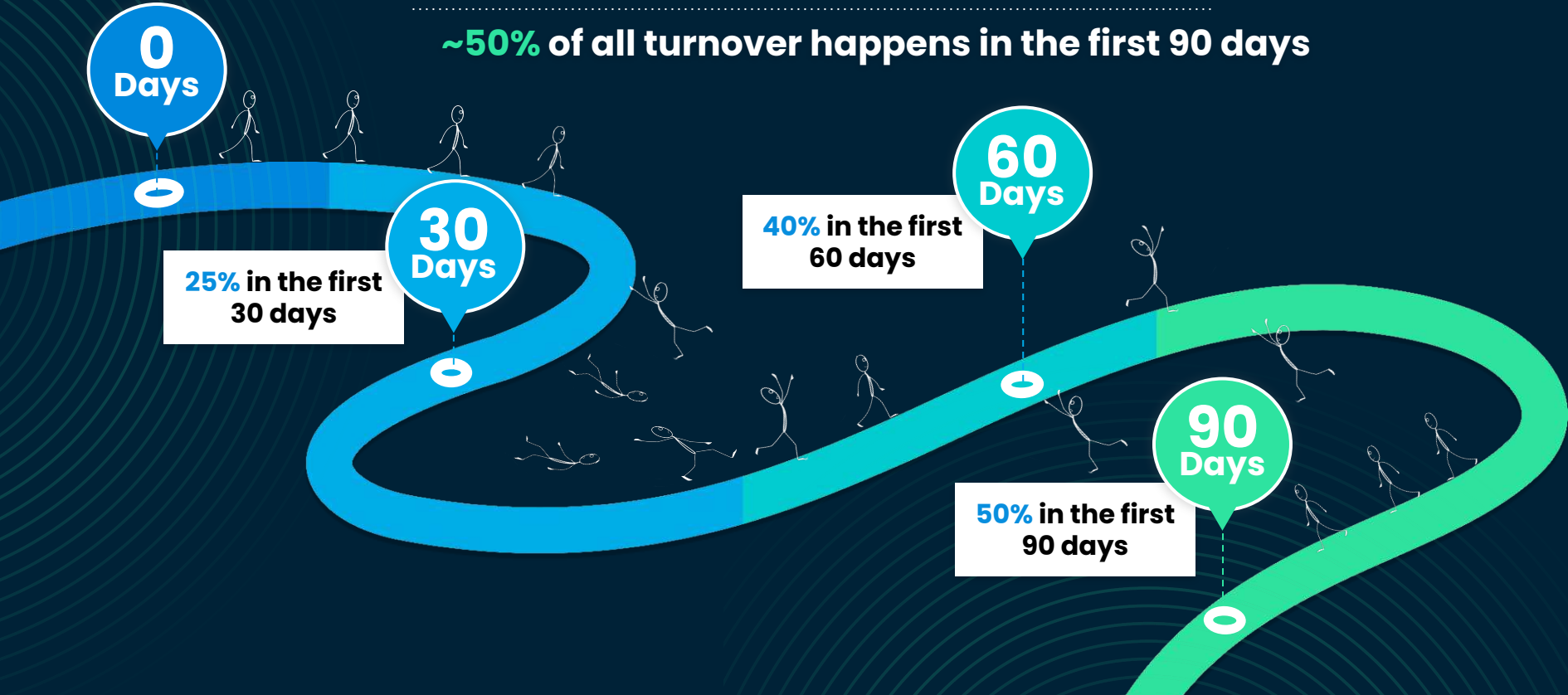
1. **Establish a Baseline**
2. **Listen to your employees**
3. **Understand implicit and explicit data points**
4. **Detect persistent themes**
5. **Intercept and Intervene**

DNA of Turnover Cost

- **300 location** group
- **~4,000** employees
- **153% turnover**
- **6,400 new hires** in 2023
- **53% left in 90 days**; 43% in 60 days
- **17% of total labor cost** in unproductive <90 day labor

Sub-90 Day Turnover is Destroying Restaurants

~50% of all turnover happens in the first 90 days

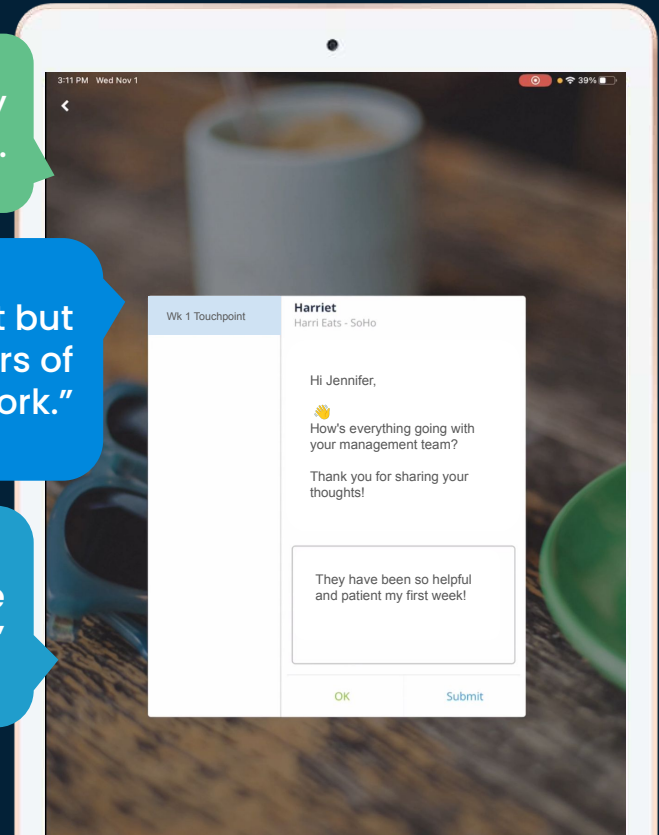


How do you better connect with and understand your team?

“Yes, I feel comfortable going to my managers with questions”.

“I was expecting to work 8 hours since I work pretty hard and fast but only received 5 hours, I just hope eventually I’ll get more hours of work.”

“I’m a team member but i do most of the work around the kitchen, so i just feel like i should be a trainer already.”



Get to the Root Cause of 90-Day Turnover

Measure Sentiment

Recognize Employees

Share Updates

Provide Training Support



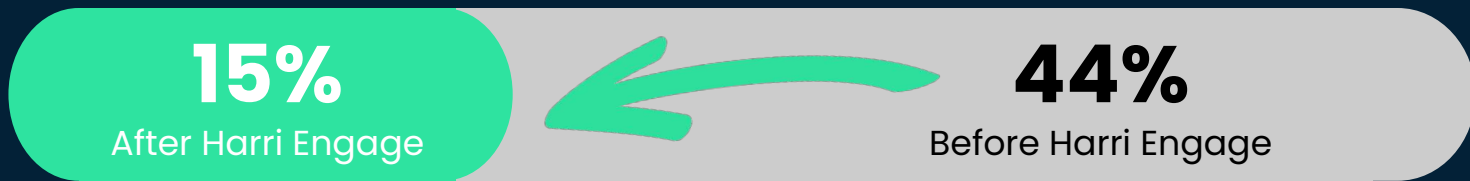
Identify Scheduling Needs
(65%)

Spot Manager Issues

Highlight Career Mobility

Eliminate Operational Roadblocks

The results are clear. Drastically reduce sub 90-day turnover with Harri Engage.



Sub 90-Day Turnover Drastically Reduced in the First Few Months of Engage Usage

Harri makes hard things simple.



Engagement

Ensuring employees can hear AND be heard
Delivering communications through existing windows of engagement



Retention

Multi-point approach through hiring, onboarding and workforce management



Productivity

Optimal deployment of labor
Automation of key tasks



“Harri has been really great at helping us reduce the friction and headaches that employees go through. We still love to use the human element, but Harri has helped us be fast and efficient”

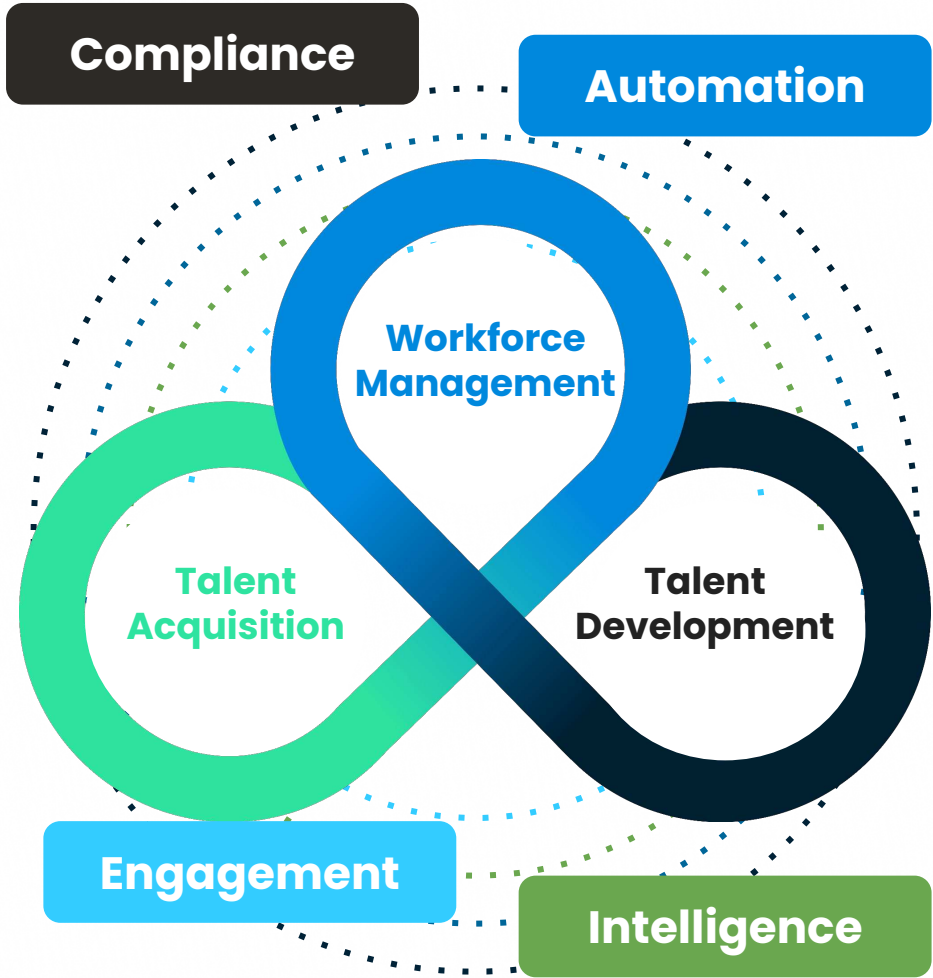
***Michele Corkins, Senior Manager of People Solutions
Hawaiian Bros***

Bringing it all together

CA QSR location - Labor Analysis		
Sales	\$1,700,000	
Labor Cost: % sales	31.00%	
Labor Cost		\$527,000
Weekly Hours Used		680
NYC Hourly Rate	\$16.00	
Average 4-wall EBITDA: % sales	15.00%	
Average 4-wall EBITDA		\$255,000
Direct Labor Optimization Savings: weekly		
Forecast Accuracy: 1% improvement	1.00%	\$109
Schedule Optimization: 1% improvement	1.00%	\$109
Overtime: 5 hrs	5.00	\$40
Schedule creep/enforcement: 5 hrs	5.00	\$80
NYC FWW premiums: 7 hrs	7.00	\$112
Wage Theft: 3 hrs	3.00	\$48
<u>Weekly savings</u>		\$498
Other savings: annual		
Annual Turnover rate	175.00%	
Sub-90 day portion	60.00%	
<90 day Direct Wage cost (% total)	17.00%	
<90 day Direct Wage cost	\$89,590	
<90 day indirect cost/hire	\$1,000	
<90 day indirect cost total	\$26,250	
Total <90 day turnover cost	\$115,840	
Improvement in <90 day retention: %	15.00%	
Improvement in <90 day retention		\$17,376
Fines/legal penalties: direct/indirect		\$10,000
EBITDA Savings (Annual)		\$53,251
EBITDA Improvement (Nominal)		3.1%
Average 4-wall EBITDA: Post Savings		18.13%
		\$308,251

**We help you build,
manage, engage
and RETAIN
an unrivaled
frontline
workforce.**

harri



**Because we
understand
hospitality
better than
anybody else.**

harri



Supercharge Your Managers

Manage Schedules

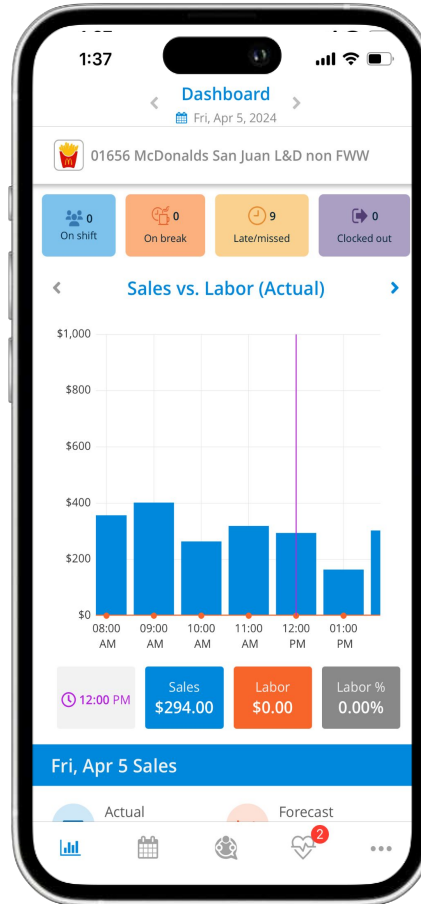
Manage Shift Swaps

Live Sales + Labor

Messaging

Shift Alerts

Compliance



My Team

Manage Punches

Mobile DAR

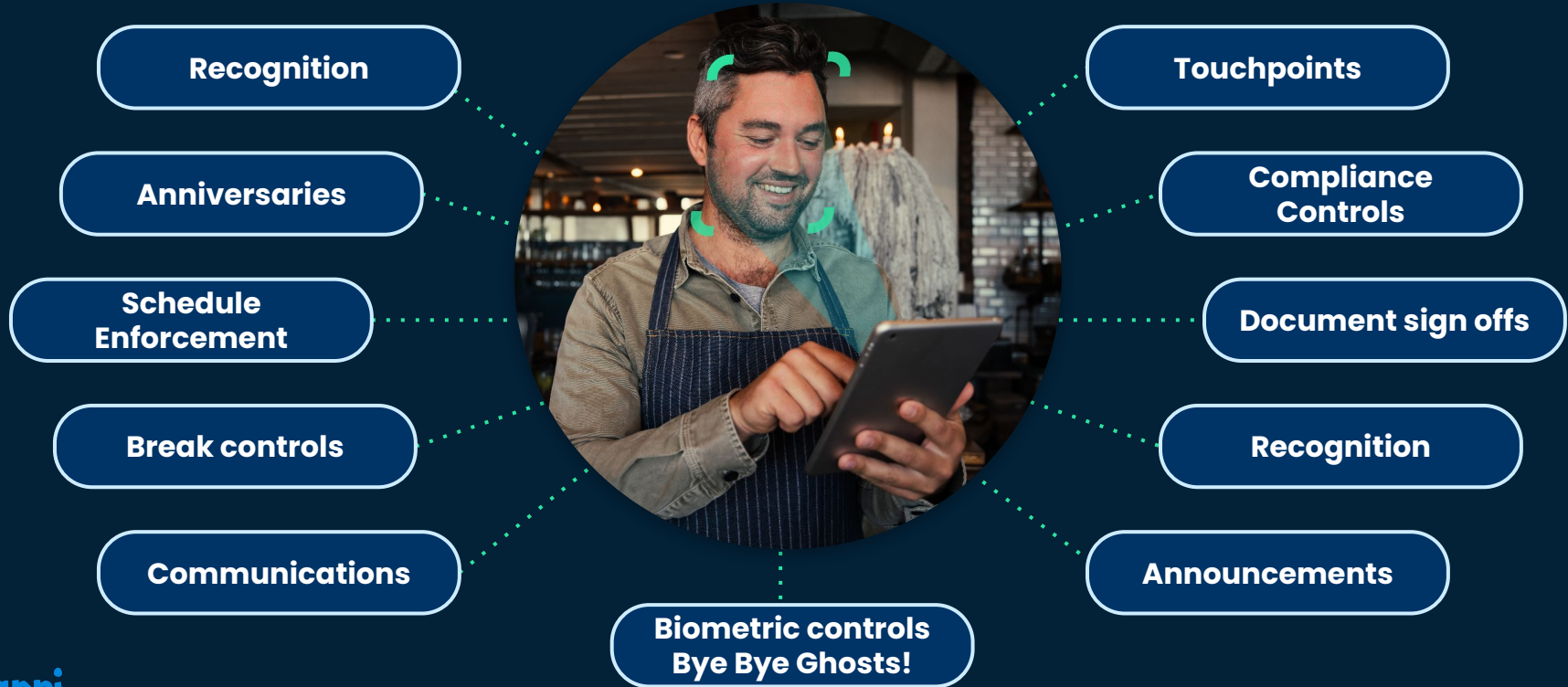
Task Management

Performance Mgt.

Announcements

Team Hub – Interconnectivity²

Think beyond timekeeping to a gateway of engagement, communication, compliance, recognition and cost control



Thank you!

Contact:
luke@harri.com