CASE STUDY | Chipotle.

alteryx

ALTERYX HELPS LEADING RESTAURANT CHAIN, CHIPOTLE, INCREASE ITS ABILITY TO FIND, OPEN AND MAINTAIN PROFITABLE STORES.

WITH MORE THAN 700 LOCATIONS AND GROWING, THIS NATIONAL NETWORK'S USE OF ALTERYX IMPROVES ITS ABILITY TO OBTAIN PRIME LOCATIONS BEST SUITED FOR DELIVERING THE OPTIMAL CHIPOTLE DINING EXPERIENCE.

Denver-based Chipotle Mexican Grill, a fast-casual restaurant chain, opened its first store in 1993 with the idea that food served fast didn't have to be a "fast-food" experience. Chipotle's philosophy, *food with integrity*, is how the company defines its strategy for improving the food it buys, whether it's better tasting, coming from better sources, better for the environment, better for the animals or better for the farmers who raise the animals and grow the produce. The company prides itself on high-quality raw ingredients, classic cooking method, distinctive interior design, and friendly people to take care of each customer.

The Situation

Targeted, available real estate can be difficult to find, and when discovered, often requires immediate action to secure the assets before a competitor moves to secure the location. The competitive race was exacerbated for Chipotle, because prior to using Alteryx® technology, the company's real estate managers had to spend valuable time interacting with different programs and static datasets in an attempt to analyze the potential revenue and targeted market for each prospective site they researched.

Businesses that depend on site-location models for growing and optimizing their national outlet networks typically use field teams who rely upon various information resources for site-prospecting insight. In Chipotle's case, although the 3rd party data was required, the company did not have the right tools to deliver the flexibility to allow real estate managers to make changes and update facts about proposed locations.

This site location data, found in spreadsheets and mapping systems, was used to determine key projected sales and store performance indicators for future restaurant locations. As a result of these static datasets and an inability to update the process from the field, site location analysis became inconsistent from one location to another.

This variation in data consistency from market to market and within markets hindered the decision-making process and undermined Chipotle's ability to develop repeatable results on a regional and national basis. With variation, Chipotle knew it would face network expansion and performance measurement issues quickly.

The key to securing prime real estate for restaurants is the speed at which new locations are targeted and developed. Chipotle was seeking a system that could more efficiently deploy sales forecasting tools and its complex site location selection model in a browser instead of requiring employees in the field to search, select and input data into multiple, siloed laptop programs. This solution was time-consuming and the relevant up-to-date data was not always readily accessible to all employees.

Chipotle's complex model calculations for identifying new locations include a preference for urban storefronts, shopping center end-caps or pads and freestanding buildings. Requirements also include adequate parking, excellent visibility, access and zoning that allows for a liquor license. The company also prefers patio seating and the ability to use its standard storefront design and signage.

CHALLENGE

Chipotle's real estate managers spend valuable time interacting with laptop programs and static datasets analyzing potential revenue and targeted markets for prospective restaurant sites. The company needed a simple way to deploy more timely sales forecasting data and its complex site-location selection model to its brokers

SOLUTION

The Chipotle solution integrates current data and allows users the flexibly to update data and analyses using a single, optimized Alteryx application. Chipotle real estate managers now have the ability to apply their complex site selection model and sales-forecasts quickly for proposed restaurant locations and in a fraction of the time, while spending their time on real estate transactions.
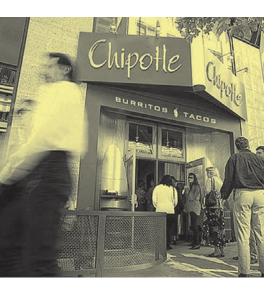
RESULTS

- Alteryx allows managers in just minutes to enter sites and choose reports they want, as opposed to the hour-per-site it took previously.
- Each manager's efficiency has improved—more prospective locations are analyzed in less time, and better results have led to consistent and successful real estate transactions nationwide.
- The company has increased its ability to find, open and maintain profitable stores.

INSPIRING INGENUITY

The Solution

Alteryx developed a custom web application built on its flagship technology and accessed via the web. The Chipotle solution integrates the most current data and allows for the flexible updating of data and analytic components from previously disconnected procedures and programs using a single, optimized Alteryx application. Operations staff no longer have to manually enter additional site data and information specific to a location into a series of disconnected tools. Now, Chipotle real estate managers have the ability to quickly apply their complex site analysis model and sales-forecasting system to review proposed locations using consistent and up-to-date datasets in a fraction of the time, and their valuable efforts are more focused on the real estate transactions.

"In urban markets where good real estate is scarce, we need to turn on a dime to get the analytics needed to optimize our capital expansion plans," said Jerry Williams, Director of Business Research for Chipotle. "Alteryx eliminates the friction of data movement and increases the flow of information."

The Results

Real estate managers now use the browser-based system to input parameters and identify scenarios in preparation for field visits. The program allows managers to enter sites and choose the reports they want to run in just minutes, as opposed to the hour it took previously. This time savings increases each manager's efficiency and delivers the ability to process many more prospective locations in less time, while returning better results for more consistent and successful real estate transactions.

In addition, real estate managers have the ability to update or adjust data to better calibrate prediction models for proposed sites and scenarios. Chipotle's managers are encouraged to apply their industry knowledge and validate the data within the system. The company now supplies an increased amount of data to its field agents without increasing the time required to compile and compare the data.

"Alteryx offers us the speed and flexibility to find the best possible locations," said Williams. "With one tool used by everyone across the organization, we're all viewing and talking about the same sets of information, providing consistency from beginning to end."

"Chipotle and Alteryx are committed to the same ideals – excellence in everything we do," offered Rex Jones, chief development officer for Chipotle Mexican Grill. "Since implementing the Alteryx software along with other internal initiatives, Chipotle has been able to reduce deal timelines that has resulted in excellent business results."

As a fast-growing company, Chipotle has steadily increased the number of restaurant openings per year. By delivering answers to those within the organization who need it, in a timely and useable fashion, the company has greatly increased its ability to find, open and maintain stores in desirable locations.