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Great Clips®

Alteryx Supports Great Clips' Growth Strategy with Site Selection and Location Analytics

CHALLENGE
Great Clips wanted to better support its growth strategy by accelerating the new site assessment and selection process for its franchise salons while also reducing overall costs.

SOLUTION
Great Clips uses Alteryx to put analytics in the hands of its real estate managers with an easy-to-use, fast and accurate way to find and qualify all potential new franchise locations.

RESULTS

- **Deeper Insights:** Conducted more thorough and accurate analyses on three times as many potential new franchises per day than previously, enabling the company to open new franchises more quickly with a greater chance of success

- **Hours vs. Weeks:** Reduced time to assess a new location by 95 percent, often producing an analysis in five minutes instead of two hours

- **Intuitive Workflow:** Created a sophisticated site-selection application used by the company's national real estate management, which includes drive-time, demographic, consumer behavior, and spatial data in a single analytic workflow

Introduction

With more than 3,000 salons throughout the United States and Canada, Minneapolis-based Great Clips is the world's largest and fastest growing salon brand. The company's salons employ nearly 30,000 stylists who receive ongoing training to learn advanced skills and the latest trends.

Situation

The Great Clips franchise success is based on a growth strategy that is driven by rapidly opening new stores in the right locations and markets. To accomplish this, the company must identify locations based on requirements for a potential customer base, demographic trends, and sales impact on existing franchises in the area. Choosing the right sites for new franchisees is one of the most important business decisions the company makes, requiring analysis of thousands of locations each year.

As costs and risks associated with this growth strategy have increased, Great Clips determined its key franchise site selection process needed to address some critical issues. First, the process was taking too long, averaging two hours per site, and producing a backlog of hundreds of sites submitted by franchisees for review every month. This delay was risking the loss of prime sites to competitors and alternative real estate interests.

What's more, the company's site evaluation method was expensive and labor intensive, requiring analyst resources to manually access, integrate, and analyze multiple sources of data in order to produce a report for a single location. Delays and costs were further compounded as franchisees requested third-party analyses when they questioned site analysis consistency, data accuracy, and the sophistication of the site-selection model being used. Additionally, costly external contractors were being used.

"We wanted a faster, more efficient, and less expensive way to do this," says Drew Moore, Senior GIS Analyst at Great Clips. "We also needed something that would let us dig deeper into the data to help make the best decisions possible."

Solution

While looking for a better solution to manage this effort, Moore downloaded a free trial of *Alteryx Designer* to test with the Great Clips data and franchise model. "It took me only a few weeks, starting with no knowledge of the software, to build a fully working module that was able to analyze a potential new franchise location in five minutes, compared to the two hours per franchise that it previously took," Moore remembers. "That's when I knew that Alteryx was the right choice for us."

Using Alteryx, Moore has created an expanded site-selection workflow application that the company's national team of real estate managers now uses to process new salon site locations they have identified or that have been submitted by franchisees in their regions of the country. The application evaluates an entered address by its drivetime proximity and convenience for serving all existing customers of the Great Clips salon network in the area. The Alteryx application also rates the site by how well the demographics and consumer behavior data for the site's trade area population align with Great Clips' best customer profiles. Finally, it assesses the potential revenue impact a salon at any new site would have on other surrounding Great Clip salons, and on the franchise network as a whole.

The new salon site modeling capabilities built using Alteryx enable Great Clips' real estate managers to proactively discover and pinpoint locations that hold the greatest potential for successful new salon operations. Reports produced by the Alteryx application clearly detail every component of the analysis, providing maps that are informed by each influential factor, including nearby salons' sales performance data, competitor locations, and top trade area anchor store locations.

Results

Using Alteryx, Great Clips has reduced the time to assess a new location by 95 percent, and in the process, has eliminated the company's backlog of site evaluation requests. The previously labor- and analyst-resource-intensive site selection process has been automated and developed into a data collection, analysis, mapping, and reporting application, which can now be easily applied by non-technical real estate managers, without requiring the involvement of the company's business analysts.

In addition, the company has turned a reactive analytical process into a proactive, predictive activity. "It now takes a real estate manger five minutes to produce an analysis for a new franchise location rather than two hours," says Moore. "That not only gets the information into the hands of existing franchisees more quickly, but it can ensure that we are in a position to close on the best locations as they become available and before our competition can. The proactive and predictive nature of our new solution is an example of analyses I am now able to deliver for the company. Alteryx has made a real difference to the value I can provide to the organization."

"We can now easily do more thorough and accurate analyses on three times as many potential new franchises per day than previously," Moore says. "Because of this, we are able to open new franchises more quickly that have the greatest chance for success, the least negative impact on other area franchises, and the highest potential for growing our network profits."

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