

Big Data Butters the Bread

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11/12/2018 Computers at BackWerk shops know in advance which snacks are about to be purchased.

The rolls and other snacks should be fresh and tasty—and wrapped or eaten on the spot. Hungry students, commuters, and tourists in pedestrian zones and at train and metro stations are eager consumers of sandwich rolls. For their part, the bakery shops always need to have the "right" snacks in their self-service cases for the shortest possible periods of time so their wares will also be fresh. If the shops fail to ensure this, they will end up with disappointed customers and a growing pile of write-off slips for unsold items in the evening.

This principle applies to all bakeries—including BackWerk's 350 franchises. Founded in 2001, the company was a successful pioneer in the self-service bakery market. Today BackWerk is the leading player in the sector in Germany, and is active in five other countries as well. Its new owner, the Swiss-based Valora Group, is a convenience and food service specialist with around 2,800 sales points in highly frequented locations like train stations. And it is working on expanding further.

From bakery shops to catering systems

BackWerk sites are run on a franchise basis, and thus far their employees have stocked the self-service cases by drawing on their own individual experience. The larger the selection of products, however, the more difficult this task becomes. CEO Karl Brauckmann and his team therefore set out to find a solution that would generate higher "success quotients" when filling the cases.

Another reason for seeking a solution is that BackWerk is undergoing a major shift. As Brauckmann explains, "Our guests want more and different convenience foods, including hot snacks like pizza, hot dogs, and panini. That means our franchises are evolving from bakery shops into catering systems. But for that we need a higher vertical range of production and more sophisticated logistics—which in turn means we need to change our organizational structure and introduce new tools."

Advent of the production monitor

BackWerk's basic idea was very simple. It wanted to equip its shops with a monitor that would compile cash register, temporal, and other data to calculate in advance which snacks would be bought.

As a former business consultant, Brauckmann is well aware that good technical solutions already exist for challenges in planning. But the real question was who could put this idea into practice rapidly and reliably. Porsche Consulting was commissioned to do the job. "We were looking for a consultant with extensive expertise in both process organization and digitalization," says Brauckmann. After all, the production monitor was to be just one component of a larger job that would consist of restructuring the franchises' "operating systems" and adapting them to the requirements of the future.

"Cockpit" developed in just four weeks

Porsche Consulting brought its partner MHP on board for the IT part of the job. MHP is a management and IT consulting company as well as a Porsche subsidiary in its own right. Development of the production monitor proceeded as swiftly as baking a batch of rolls. In just four weeks, Porsche Consulting and MHP presented a digital cockpit in touchscreen form.

Using cash register and historical data as well as sales predictions, the touchscreen at a BackWerk franchise shows employees which snacks and which volumes thereof should be produced at which times. For example, after preparing salami or Caprese baguettes, the employee clicks the confirmation button and is shown what task to do next.

Hardly any excess

With the help of this new cockpit, any given franchise is ready to meet the needs of the hours to come—starting with the initial set of wares when it opens in the morning. It is also ready for the next run on products, such as the traditional "second breakfast" in Germany and of course the lunch break. It can prepare the exact number of bagels and lox, or chia rolls with avocado, that customers will want. Practical tests at two BackWerk franchises have confirmed that the data are in fact valid. As Porsche Consulting Senior Partner Michael Tribus observes, "The number of write-off slips, which means the

number of leftover rolls, has declined considerably and the franchises are now more profitable."

It therefore makes sense to use cockpits to stock the self-service cases at all BackWerk franchises. Customers are happier because their favorite filled rolls are always freshly made. The company is also satisfied. "We allowed Porsche Consulting to work at the very core of our operational system, with the aim of dissecting and restructuring the processes. It has worked out well. The production monitor is just one aspect—albeit a very important one— of the overall project."

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