



Customer Success Story: Great Clips

Overview

Founded in Minneapolis in 1982, Great Clips has rapidly grown into North America's largest salon franchisor. By perfecting a system for delivering competitively priced, high-quality cuts and perms to men, women and children, Great Clips has opened over 2,600 salons in 130 markets across the US and Canada.

Challenge

Large franchisors such as Great Clips have unique, core processes that are critical to their success – including franchisee qualification, real estate acquisition and development, lease management, and customer service. These processes span multiple applications, require involvement from multiple organizations and rely on data from multiple sources – all of which make them more difficult to manage. Yet because of their critical nature, inefficiency in these processes often results in higher costs, lost opportunities and lower market share for these companies.

Great Clips wanted to gain better control of its processes and engaged AVT Consulting of Minneapolis to perform an internal analysis of its business processes to ultimately identify areas of improvement within the company. The analysis uncovered that it was difficult for management to see the performance of its processes and manage them proactively. In particular its processes for opening new stores, also known as “franchise relationship management” – a critical set of procedures involved in the franchisee lifecycle – needed to be addressed if the company was to successfully achieve its growth objectives. For Great Clips a number of groups are involved in opening a new salon, and coordinating the efforts of all the parties involved was no small task.

The company took the advice of AVT Consulting and

Highlights

Manufacturing, Retail,
Distribution

Processes Enabled:

- New store opening
- Franchise management
- Site Selection

Customer Benefits & Results:

- Increased new store openings from 150 to 250 a year – an increase of 67%
- Shortened new store opening lifecycle by 15%
- Consolidated databases from 35 to 4
- Enhanced employee productivity, including eliminating over 40 hours a month of paper-based analysis

selected Business Process Management (BPM) technology from Metastorm to automate its critical processes and give executives the visibility they needed to manage them more proactively. In doing so, the company set out to increase productivity, reduce costs, improve data accuracy and obtain 100 percent ROI within 18-24 months.

Solution

Today, Metastorm BPM serves as the foundation of Great Clips' critical franchise management solution and has enabled the company to automate the full franchise lifecycle to help control costs and improve its existing processes.

The project began with a pilot project in July 2004 that delivered significant benefits – including the consolidation of several mission-critical forms and information sources, the elimination of 40 hours per month of labor compiling and routing information, real-time visibility into salon construction, and the elimination of two cumbersome work steps that had frequently delayed new salon openings in the past. After this success, Great Clips was able to quickly overhaul its franchise lifecycle processes using Metastorm BPM.

Great Clips can now plan its processes, identify all of the stages and actions that need to occur to open a new store, and involve all the necessary people to automate the process. Metastorm BPM also provides a process layer across all of Great Clips' systems and has helped consolidate a number of databases (35 down to 4) and to integrate disparate systems.

Results

By adopting Metastorm BPM for its critical franchise relationship management processes, Great Clips has been able to standardize and automate many of the 120 steps in the salon-opening process and eliminate two weeks out of their usual 14-week new-store launch process.

In addition, the company has been able to dramatically improve efficiency and productivity in this core area of its business. By eliminating manual processes and turning them into a transparent view of activity, Great Clips now has a highly automated means to manage and track the franchise lifecycle, and the management team now has real-time visibility into critical information they did not have before.

Metastorm has enabled Great Clips to accelerate time to market and reports it now opens 250 locations per year, an increase from the 150 it was previously opening.

Great Clips management has endorsed Metastorm BPM as a mission-critical system and expects it will continue to be leveraged across the organization.

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