

Pilot Travel Centers Adds \$1.8 Million to the Bottom Line Using Panorama for Automated Analysis and Reporting



Company Profile

For Pilot's store managers, a large percentage of every Friday was dedicated to reviewing volumes of paper reports. It was time consuming and complicated to identify sales performance issues, which resulted in many being overlooked. The desire to automate reporting led Pilot to choose Panorama Software to support the report presentation in its portal. Phase I of Pilot's implementation focused on deli operations, which represents 15% of the company's non-fuel revenue. With streamlined reports available on its Web portal, Pilot ensured that managers could identify sales and buying issues and take action more effectively. As a result, the company realized improved profits by \$1.8 million.

Pilot Travel Centers LLC is the largest retail operator of travel centers in the U.S. Headquartered in Knoxville, Tennessee, Pilot Travel Centers operates 270 retail interstate properties in 40 states. Pilot's locations offer a wide range of services including auto and truck fueling facilities, leading fast food chains and travel conveniences such as showers, ATM, Internet, check cashing, money orders, laundry, Western Union and pre-paid phone cards. The company employs 14,000 people, with annual revenues of \$7.2 billion (2004).

Business Challenge

With paper-based reporting, managers usually spent two to three hours each week trying to uncover exceptions for their stores including low margins, poor upsell statistics, overstocked inventory levels or budget misses. Even with all of

that time devoted to review, many issues went undetected because of the sheer volume of paper, which affected inventory planning. In addition, many managers began to create their own reports resulting in inconsistency in the field.

As an intensely numbers-oriented company, Pilot had a deep desire to get to pure exception-based reporting and analysis. With that capability, issues could be uncovered quickly and action could be taken at the individual store level to alter performance results.

"We had hundreds of valid issues and exceptions that went unnoticed because people couldn't get to them," said David Clothier, Controller, Pilot Travel Centers. "The most frustrating part was that the information was there, but managers couldn't access it to make it actionable for the stores. Our goal was to implement an infrastructure that would allow us to automate exception reporting delivery and analysis."

Solution

After evaluating several Business Intelligence (BI) solutions, Pilot chose Panorama for publishing and presenting data on its Web portal. Clothier was impressed by Panorama's ability to build on the capabilities of Microsoft™ SQL Server 2000 Analysis Services. "Having a BI solution that can leverage a Microsoft product is a very big deal to us. Panorama enabled us to extend our existing technology to deliver benefits to our business," said Clothier.

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David Clothier,
Controller Pilot Travel Centers

Results

With Panorama, Pilot store managers could interact with reports and find information they were looking for very quickly. "Panorama has become our gateway to efficiency by simplifying and streamlining the way we speak to the field," noted Clothier. "First, we've centralized all reporting from Knoxville, which is a significant improvement. Second, the reports, grids and graphics are easy for the field to digest and understand."

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Pilot initiated a phased implementation of Panorama in its environment. Phase I, which has been fully implemented, focuses on deli operations, which includes soda, coffee and hot dog sales.

With Panorama, Pilot can now analyze reporting vs. budget, overall sales and detailed, year over year performance.

Business Benefits

As a result of Panorama's robust analysis and reporting, Pilot has improved its trending capabilities. By better understanding selling patterns, Pilot can plan buying strategies at the individual store level more effectively. According to Clothier, "Managers can see whether they are hitting sales targets, meeting budgets and breaking sales records, which are critical performance motivators. We can now take our data and apply it directly to solving a business problem."

Pilot added \$1.8 million to the bottom line. Pilot generates approximately \$900 million in inside sales, with deli sales accounting for \$70 million of that revenue. Though only a modest percentage of total inside sales, the margins on deli are typically quite high, which makes it a significant impact area for Pilot. With Panorama, Pilot has been able to use its reporting portal to improve deli sales and margins. "We will easily see, at minimum, a 2% improvement in sales and a 1.5% improvement in margin, adding an additional \$1.8 million

to the bottom line. Those results are linked directly to our enhanced reporting and analysis – we can identify sales, performance and buying issues quickly and easily to act immediately."

While Clothier and his team are very happy with the improvements Panorama has brought so far, they are even more excited about the future. "Right now, we are operating at the transaction level, which has delivered impressive benefits," adds Clothier. "Once we roll out our HR/payroll system and apply Panorama there, it is going to revolutionize the company. We will be able to get very specific, right down into cashier performance for each sale. By accessing that level of data, we will be able to effect behavior change and performance improvements by establishing very real and measurable benchmarks."


Panorama Software

Panorama Software helps clients grow revenues and reduce costs by giving them the ability to analyze data, identify trends, maximize business opportunities, and improve corporate performance and results. Panorama software offers an intelligent, collaborative and easy-to-use, BI solution that enables enterprises the ability to gain insights more quickly, more efficiently and with greater relevancy. Panorama maintains over 1,600 global customers.

To learn more about Panorama Software, please visit www.panorama.com.

 **Worldwide**
 164 Eglinton Avenue East
 Suite #100
 Toronto, ON M4P 1G4
 Canada
 Phone: +1.416.545.0990
 Fax: +1.416.545.0877

 **United States**
 1230 Avenue of the Americas
 Suite #7109
 New York, NY 10020
 USA
 Phone: +1.877.709.5848
 Fax: +1.877.709.5888

 **Europe**
 Berkeley Square House,
 2nd Floor
 Berkeley Square, London
 W1J 6BD
 Phone: +44.207.887.6300
 Fax: +44.207.887.6100

 **Israel, Asia-Pacific**
 6, Raoul Wallenberg St.
 5th Floor
 Ramat Hachayal
 Tel Aviv, 69719
 Israel
 Phone: +972.3.645.9777
 Fax: +972.3.648.0085