



The Content Experts

# AGILE BUSINESS SERIES COMPASS GROUP CANADA

# TRANSFORMING THE CONSUMER EXPERIENCE IN FOOD SERVICES



## A digital transformation at Canada's leading food services company is allowing it to offer apps and capabilities that millions of feature-hungry consumers are eating up.

If you've ever ordered food from an app or from a digital kiosk at a stadium, hospital or airport, chances are you were fed by Compass Group Canada. The company provides food and hospitality services at more than 3,000 offices, schools, universities, senior communities, arenas, airports and even remote mining camps across Canada.

In recent years digital technologies have allowed Compass Group Canada to become a far more consumer-focused company, said Humza Teherany, CIO of Compass Group Canada and CEO of Compass Digital Labs, which provides technology and innovation services to their many businesses across North America.

"Digital transformation in our marketplace is really important from a consumer perspective," Teherany said. "People today expect their food and retail experiences to be as smooth as any other experience in life."

**"Digital transformation has helped us to focus on our consumer, using digital experiences that really drive values in the lives of the retail day-to-day experience that people have in our locations."**

– Humza Teherany, CEO of Compass Digital Labs and CIO of Compass Group Canada

In 2011, when Teherany joined the company, it had little in the way of a market-facing technology strategy. As a provider of food services to millions of Canadians, the company serves something of a captive audience. “It’s a food company; people always have to eat, but we knew we needed to do more to continue to differentiate ourselves in the marketplace.”

As margins in the food services industry aren’t exactly gut-busting, using technology to optimize labour costs and increase engagement are critical to revenue growth. That’s why in 2012 the organization began its digital journey.

### **Enhancing customer experience**

The company launched its Digital Hospitality platform with a goal of improving customer retention and uptake of offers and services by enhancing their experiences. Through it, mobile customers can pre-order and pay, skip lines, access menus, learn about special offers, access nutritional information, and more. Compass Digital Labs’ user-experience designers and data scientists use human-centric design to ensure each solution is customized to the client location and its unique consumer.

“When we’re in a stadium, our designers go in and understand what a sports fan does from the moment they wake up until to the time they get to their seat,” Teherany said. “If you’re a patient in a hospital, a fan in a stadium, or an office worker, we try to understand what you value. We build our digital solutions around that — because you can’t bring value to someone’s day-to-day life without knowing them.”

Since food itself is a commodity, the real differentiator for Compass Group Canada stems from its ability to offer a superior experience. That, Teherany said, comes back to its deep understanding of the consumer. The company gains this through its user experience engineers, but also through mature data analytics.

**“A digital strategy is not about checking a box to say you have an app. It’s about answering the question, ‘How do we grow the company?’”**

– Humza Teherany, CEO of Compass Digital Labs and CIO of Compass Group Canada

### **The digital hospitality payout**

“When you’re already a \$1.4 billion company (in Canada) — as we were when I joined — how do you grow the company?” Teherany asked. The company’s digital strategy has played a critical role over the past five years in growing that managed revenue to \$2 billion a year.

Compass Digital Labs was carved out of Compass Group Canada in 2016. When the Canadian operations experienced a five to 10 per cent growth in customer engagement through digital, it was a performance that caught the attention of its global parent. The result: Compass Digital Labs’ staff of 50 is now responsible for the digital transformations of Compass Group in Canada and the U.S. It’s also part of a global digital steering committee working on improving customer engagement in major markets including China, Brazil and the United Kingdom.

The organization’s digital transformation has been working. In the last 12 months alone the company made more than \$1 million in revenue in Canada based on its mobile digital transactions. It has conducted more than 400,000 mobile transactions in just the last nine months.

“We see mobile growing heavily in locations where we have the right demographics such as schools and technology companies,” Teherany said. “In locations like that, mobile is about 10 per cent of our business and we see that continuing to grow.”

The challenge now is keeping up with the growth while offering the latest and greatest technologies consumers and clients have come to expect. It can require a culture shift and tech education for Compass Groups Canada’s 35,000 employees.

**“You have to drive digital transformation based on where the business is headed. Technology is a great enabler, but nobody leads with that. You become a leader by aligning your digital strategy with your business goals – than accelerating the results.”**

– Humza Teherany, CEO of Compass Digital Labs and CIO of Compass Group Canada

### **Dell EMC serves up the tech**

When Compass Group Canada began its customer-facing digital transformation, it was already a long-time Dell EMC shop. The company first turned to Dell EMC in the mid-2000s to develop scalable compute and storage infrastructure using virtualization and Dell EMC servers and SANs (storage area networks). Compass Group Canada's technology journey followed the Dell EMC solution roadmap, and today the company is standardized on Dell EMC servers, laptops and desktops across its eight regional offices and at more than 3,000 locations across Canada.

Because technology is crucial at each of its retail or concession locations, infrastructure reliability is a top concern, according to Chris Kingston, Senior Manager of Infrastructure and Operations, Compass Group Canada. "Any outage would be an absolute nightmare."

Kingston said the decision to select Dell EMC originally came down to price and support, while performance and interoperability also played roles.

"We selected Dell EMC because it had a very cost-effective model and a support model that was very good," Kingston said. "There are efficiencies, but also Dell EMC has flexible technology that connects to the highly-specialized partner solutions we need it to."

In 2014, Dell EMC was selected by Compass Group globally as its technology partner. "We had been standardized on our own with Dell EMC for nine years, and when they defined the global standards, they really adopted the Canadian and U.S. standards because of our technology maturity."

"We've now been able to start forming more global communities and sharing best practices," Kingston adds. "Dell EMC has been with us throughout that."

### **On the menu for the future**

Compass Digital Labs is constantly looking for new ways to capitalize further on digital technologies. Recently it has been looking at how bots, robots, artificial intelligence (AI), virtual reality (VR), and augmented reality (AR) might transform the retail experience. It's also investigating the benefits of the Internet of Things (IoT).

“We’ve started to leverage IoT in a big way,” Teherany said. For example, the company is able to use IoT to drive down costs in the remote hotel-like facilities it operates for the workers of oil and gas clients. “We can gain visibility into any of 150 rooms, for example, and know exactly which unit needs which specific services. Since labour is one of our largest costs, that will create significant savings.”

The IoT may even be able to improve the food itself. Compass Group Canada has piloted a program using IoT technology to improve food quality and safety. “Because we serve millions of Canadians every day we can’t have food spoil,” said Teherany. “We have put sensors in our coolers that can continuously track and report the temperature of food. Our associates are notified right away to deal with any broken equipment or spoiled food immediately.

It’s keeping Canadians safer, everyday.”