

Checkers sees business benefits of 'Undercover Boss' appearance

CEO Rick Silva said the show resulted in a same-store sales boost and increased franchisee inquiries September 25, 2012 | By Erin Dostal



Checkers CEO Rick Silva

Checkers Drive-In Restaurants has been "on a tear" during the past couple of years, according to chief executive Rick Silva. And that upward trend was only bolstered by <u>Silva's February appearance on the television program</u> <u>Undercover Boss</u>.

When the show re-aired in September, Silva said his Mobile, Ala.-based chain continued to see the boost. According to estimates, his appearance on the show was equal to about \$20 million in advertising. And because all of Checkers' advertising is conducted in local, not national, markets, the company got extra exposure in markets where its ads don't run.

It also likely helped that Undercover Boss won a 2012 Creative Arts Emmy Award on Sept. 15 for Outstanding Reality Program.

"This year we're over 5-percent positive in [same-store] sales," he said. "This came at a perfect time for the brand. It happened serendipitously...it gave us so much [customer] awareness."

Although Silva said the numbers aren't exact, one of his executives calculated that the sales bump the company saw after his appearance on the show was as much as a point or a point and a half. However, he said it is hard to tell how much of that was from the show.

Silva said he initially decided to go on the show to see firsthand how some of the new initiatives — including operational improvements, new technologies, and a new staffing model — were working at the unit level.

"All of those changes had happened in our restaurants," he said. "I thought, what a perfect opportunity."

As a result of the show, Silva said that the number of franchisee inquiries is seven times what it was a year ago. Immediately after the show aired initially, the company received more than 1,000 letters in the form of Facebook posts, calls and emails from customers and fans.

Silva said he and his executives also decided to make some changes to the company's operations as a result of the show, including implementing an incentive program for store team members — cashiers and cooks — that matched one that already existed for manager-level employees. Team members will receive a total of \$250,000 during the next 12 months, he said.

"It has really charged the restaurant team," he said of the incentive program. "The managers love it."

The company also began a "general managers council," which meets regularly at a conference to discuss the goings on at various restaurant locations, he said.

"It's an attempt to capture that undercover experience on an everyday basis," he said.

Overall, Silva said that from a business perspective, Undercover Boss was a big hit for Checkers.

"We feel very blessed. Despite a really tough economy, the business is doing really well," he said. "What you're going to see next is a very balanced, well-thought-out strategy as we continue to grow."

Editor's note: This story has been updated to reflect that Undercover Boss received a Creative Arts Emmy Award.

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