

## P.F. CHANG'S®

**P.F. Chang's  
Hospitality, Restaurants**  
Scottsdale, AZ

Founded in 1993 by Philip Chiang and Paul Fleming, P.F. Chang's is the first multi-unit restaurant concept in the U.S. to honor and celebrate the 2,000-year-old tradition of wok cooking as the center of the guest experience. P.F. Chang's Farm to Wok™ menu highlights its wholesome, scratch-cooking approach. There are approximately 500 restaurants operating today between P.F. Chang's and its sister companies, Pei Wei and True Food Kitchen concepts.



# Cooking Up a Modern FP&A Environment for a Global Dining Empire

A need to better understand margins and optimize cost structures has led to collaborative planning, budgeting, and forecasting that delivers insight from the kitchen to the board room.

One of the most important things for us is empowering those operating partners with financial and performance metrics, and to be able to bring those elements together to look at the business as a whole.

— Jim Bell, CFO

P.F. Chang's is acclaimed throughout the United States and in 19 other countries for serving consistently high-quality cuisine in its Asian-themed restaurants. The company's Farm to Wok philosophy and devotion to making every menu item from scratch has helped fuel the growth of its dining concepts worldwide.

## Shedding static planning 'nightmares'

To continue growing, however, the company needed a truly modern planning environment—its spreadsheet-based FP&A process had simply become outdated. "It was truly static planning," recalled Brianne Martell, FP&A manager at the nearly \$1 billion company, which treats each location as an individual business with its own P&L. "It was painful. I still have nightmares."

For example, there was no easy way to integrate data sources and measure crucial KPIs to better understand margins and bring them in line with industry peers. It also had no insights into costs, which would help the company improve margins and in turn fund growth. Meanwhile, P.F. Chang's board and private equity parent sought ever-increasing levels of detail from reports, something its existing processes made difficult to provide.

## Tracking costs and identifying opportunities

Just as important, the finance team was unable to arm local restaurant operators with up-to-date information so they could own the numbers and run their businesses better. "One of the

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— Richard Bolanos,  
Arizona Market Partner



most important things for us is empowering those operating partners with financial and performance metrics,” said P.F. Chang’s CFO Jim Bell, “and to be able to bring those elements together to look at the business as a whole.”

Faced with a lengthy list of goals for planning, forecasting and reporting, the finance team at P.F. Chang’s knew it needed a truly modern planning platform capable of driving insights, accountability, and confidence from the kitchen to the boardroom. They found one in the Adaptive Suite, which enables finance organizations of all sizes to transform static planning into active planning that’s continuous, comprehensive, and collaborative.

The business benefits gained by deploying the Adaptive Suite read like a recipe for active planning success:

- More than 400 individual restaurant operating partners maintain, manage, and report their own P&Ls
- Forecasting cycle times have dropped 80%
- Self-service reporting lets operators, marketing partners, regional vice presidents, and others tap a single source of truth that aligns the entire organization on a consistent set of metrics
- Planning models now incorporate operational performance drivers in addition to traditional finance KPIs
- Strategic what-if scenario planning allows decision-makers to gauge success variables like promotion spend ROI and the impact that changes in product availability will have on menu planning

Martell reports that operators and non-finance users love the Adaptive Suite, which has aided adoption across the company. “It’s very user-friendly, drag and drop,” she said. “Since they’re in there every day looking at their P&L, they feel comfortable with it.”

Such was the case for Richard Bolanos, a self-proclaimed technophobe who oversees nine P.F. Chang’s locations in Arizona, and who has become a devoted Adaptive Suite fan. “I can see in real time where the opportunities are (to cut costs or improve processes),” Bolanos said. “In the time it takes me to make a lettuce wrap, I’m able to put together a budget.”

Meanwhile, Bell and his team—and the insights they deliver to the overall business—are seen as increasingly strategic assets within the company. And because executives, board members, and private equity stakeholders have renewed trust in the numbers, they’re able to continuously course correct as the business environment shifts around them. “Without a platform like Adaptive Insights,” said Bell, “we would not have the ability to be very flexible and dynamic—and frankly collaborative the way that we are.”

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