





McDonald's Sweden is overhauling its IT infrastructure, placing the restaurant experience at the project's core

he very nature of the multibillion-dollar global quick service restaurant (QSR) industry is changing, and technology is the driving force. For Anders Westling, IT Director and CIO of McDonald's Sweden, over the course of the last 20 years through a number of digital, technology and management consultant focused roles, he has seen first-hand just how much the IT function has changed.

"When I started, IT was seen as the responsibility of the tech guys who would deliver technology in bits and pieces," he says. "If you wanted to deliver solutions within a company, you'd have to bring in many different vendors and you had to have in-house development in order to be able to deliver the requested services."

As IT has become more mature, with companies boasting much more mature IT infrastructure, the "bits and

pieces" model of approaching IT and technology has begun to disappear.

"More and more vendors have understood that IT can be delivered as a service, a one stop shop," says Westling. "It becomes less of a technology conversation based on 'what' technology we need and centres much more around 'how' the business can be developed and how technology can support that."

Westling joined McDonald's in 2015, having been headhunted based on his strong experience in the IT space. His task? To restructure what he described as a malfunctioning IT infrastructure. His first observation was to look at how McDonald's IT function supported, or in this instance isolated itself, from the delivery of McDonald's services to its customers.

Westling notes that as an organisation, McDonald's was "more or less automated", with the





Putting Digital Innovation at the core of McDonald's Business.

Experience the Capgemini Effect

www.capgemini.com



IT infrastructure operating almost entirely separate to the business function. As technology advanced, and the perception as to what IT could do to support and enhance an organisation, this old model was hindering McDonald's in Sweden.

The challenge for Westling was to speak to more than 40 franchisees across Sweden to understand their pain points with IT and, more importantly, begin to understand how to implement solutions to fix them.

"I also looked at the organisation and how we should reorganise ourselves to meet the businesses demands and to find the right resources to enable us to do so," he says. "That became a case of looking at and understanding close to three years' worth of resources inside a timeframe of around two months.





Every day, in more than 90 countries around the world, Diebold Nixdorf helps retailers and restaurant owners meet today's unprecedented challenges head on, turning those challenges into opportunities to drive success for the future.

Drive a Storevolution in your store or restaurant with self-service kiosk solutions that enable order customization and encourage consumers to explore and order more. Break down legacy silos and blend your physical and digital environments into a single seamless, efficient ecosystem.

Visit DieboldNixdorf.com to find out how we can help you transform your business for the future of connected commerce.







Nets powering digital payments



TAILORED SOLUTIONS TO SUIT YOUR BUSINESS

Our flexible payment solutions are designed for every industry.



PAYMENT EXPERTS THAT OPEN NEW POSSIBILITIES

With almost 50 years of payment industry experience, we can always provide the best advice.



PAYMENT SERVICES YOU CAN RELY ON

We provide hassle-free, stable and reliable payment solutions and services across all channels.



GETTING PAID IS PRETTY SIMPLE

We provide fast and easy onboarding and integrate services with your existing systems.







introduced automated kiosks at over 100 locations in Sweden

"We worked in a small team to pinpoint what was considered to be some of the worst areas, and overall I'd say this took about nine months in total before we began to see noticeable improvements in our delivery."

As we enter Q2 of 2018, three years into a seven-year transformational journey, Westling can already point to significant progress.

Across more than 100 restaurants throughout Sweden, McDonald's has

introduced a new production system (Made to order) that is powered through self-service order kiosks.
Running alongside this, the company has also launched a mobile application in which customers can utilise promotions and will soon be able to order and pay before they arrive, and only recently it even introduced table service at a number of its franchisees.

"Table service has been very much appreciated by our guests,"

Westling says. "The new service will be rolled-out in a rapid pace in Sweden. McDonald's Sweden will also launch home delivery. First in the Stockholm city area but other cities will follow soon."

These changes represent the notion that the technology conversation is much more focused on how you can develop your service delivery.

"What has happened is that we are now more able to focus on new services and trying to establish a new restaurant experience for our customers," says Westling.

But Westling admits that this has been a process that has required patience, a direct result of that malfunctioning infrastructure. Part of the challenge for Westling centred around McDonald's working with a large number of IT vendors, and so he set out to streamline those vendors and work with what he describes as "critical partners".

"Our franchises are planning to be in business for the long run and so we need to have partners that possess the muscles and the strength to be right alongside us in both the good, and the more challenging times," he says. "Our partners must understand our business and the challenges ahead, be involved in our planning, share industry and technology insights with us," he continues.

"We worked in a small team to pinpoint what was considered to be some of the worst areas, and overall I'd say this took about nine months in total before we began to see noticeable improvements in our delivery"

- Anders Westling, IT Director and CIO of McDonald's Sweden



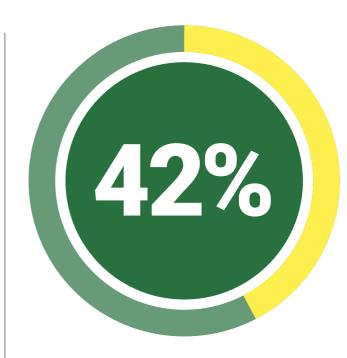
"The relationships that we forge with these partners is crucial as we work together on a number of levels. We need to be able to place the implementation of technology and operations into their hands, while simultaneously being able to work on a practical level in order to develop a roadmap together."

Creating that roadmap has been a significant part of the journey to date, both internally across the franchises and of course with those critical partners. This roadmap would identify what activities and plans were in place for the future of McDonald's and how Westling could incorporate IT services and technology into those plans.

This, he feels, meant that the early stages of this transformation were dedicated to "getting the lights on".

"Those first six to nine months were centred around getting this journey up and running, putting the implementations in place," he says.

"We were having meetings with the franchises, explaining what we were doing and working internally on establishing IT services. There were many different areas that

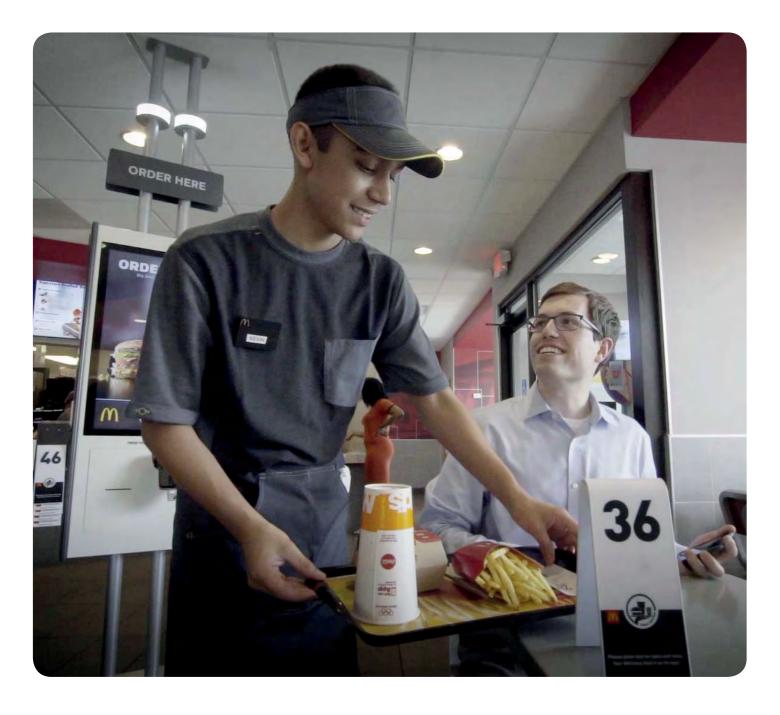


42 PERCENT OF DINERS WOULD USE SELF SERVICE ORDERING KIOSKS IF AVAILABLE

we had to work on in order to improve the overall IT delivery."

As the company continues to develop, Westling admits that it's an ever-evolving process. Towards the end of 2016 and throughout the second quarter of 2017, he admits that the organisation spent around 85% of its time "keeping the lights on", with the remaining 15% spent on businesses development and implementing new initiatives.

"At this moment in time, I'd say its now 65% on keeping the lights on," says Westling. "But it is a continuous journey, and this will



RADIUS NETWORKS

is the leading provider of wireless customer location solutions for the hospitality and restaurant markets.



TABLE SERVICE
MOBILE
CURBSIDE
DRIVE-THRU

DELIVERY
ANALYTICS
PROXIMITY MESSAGING
SMART DIGITAL SIGNAGE







only continue to change as we move into the future and continue to implement this IT infrastructure and new business capabilities."

"A significant expansion of the number of restaurants in the Nordic region is waiting - 100 new restaurants in the Nordic countries over the next five years and 200 in 10 years," he adds. "We serve 150 million guests a year and the vision is to reach 200 million a year in the Nordic region.

This will require us to step up and deliver reliable restaurant operation and at the same time conduct many critical projects with a lot of digitalisation and technology involved."

With technology transformation it can be easy to forget the key driving forces behind such a significant journey. For some it could be keeping up with competitors, for others it could be identifying and enabling greater cost efficiencies.

For McDonald's, the driving force has and forever will be the guest. As technology continues to redefine the QSR industry, the guest has undoubtedly changed with it. In the digitally enabled





world of today the guest expects a certain level of accessibility and efficiency through technology.

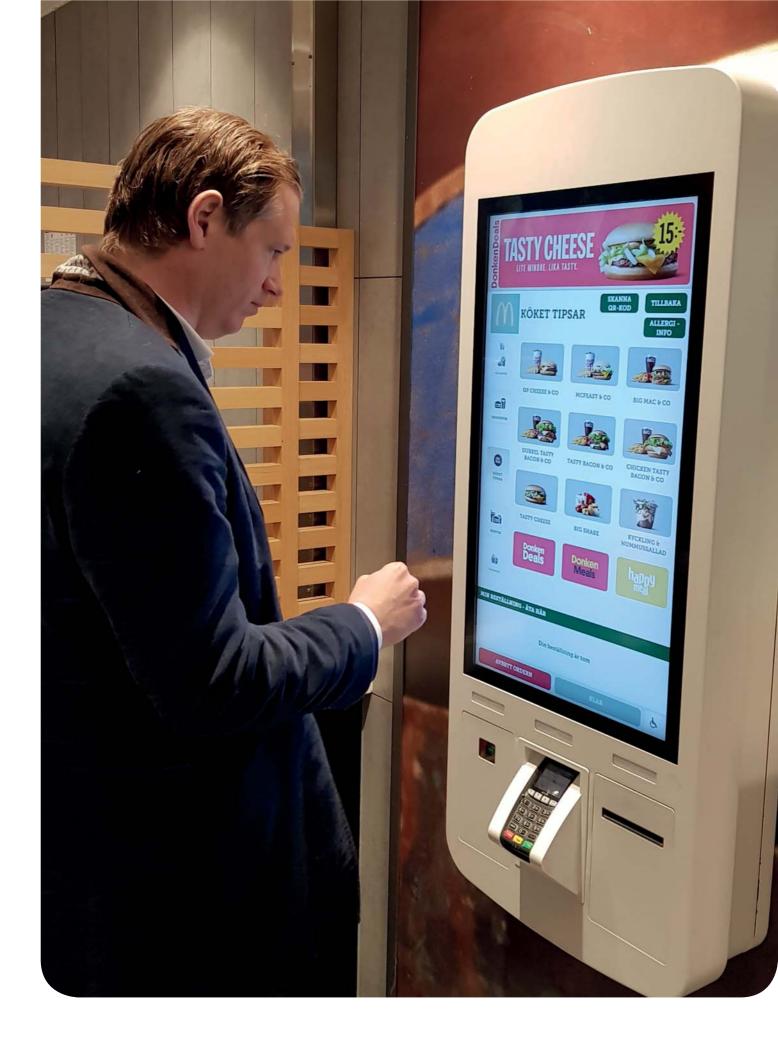
To that end, Westling believes that the guest journey and experience is running alongside that of McDonald's in parallel.

"I think the guest journey and experience is changing all the time. I mean, we have a quite competitive market in Sweden with a number of existing fast-food brands and new players are entering the market with new and different technologies," he says.

"The biggest competitors are the ones that have spent a lot of energy in developing the customer journey like we are at McDonald's and in that regard, the restaurant experience is changing overall."

Westling stresses the importance of understanding that it's not a case of trying to reinvent the restaurant experience, rather it is one that develops to suit the ever-changing demands of what a guest expects from the restaurant experience.

"It's not all technology, it's also, at the end, how we run the restaurants,"



he says. "We need to run great restaurants and the technology needs to support that. We can't create a great restaurant, we've got to understand the importance of how we run the restaurant to establish the restaurant experience of the future."

But what comes first? Does
McDonald's listen to the guest
and then implement? Or does
McDonald's define its own
technology and restaurant experience
and the guest follows suit?

For Westling, he's not too sure if it's the "chicken or the egg", admitting that there is a sense of collaboration as guests come from different restaurants in different countries and expect the same level of experience to be had in McDonald's, regardless of where it is.

But he also stresses that the company approaches it from its own viewpoint and being a part of the larger McDonald's corporation proves key.

"We're trying to understand our guests, but we are also learning from other markets and other countries," says Westling. "We look at other markets to see how table service or self-service order kiosks work and how that can shape our own experience.

"As a large company operating in a number of different countries around the world, it really helps us implement new services very rapidly. Sure, the customer experience may be different in Denmark, or Norway, but a kiosk is a kiosk.

"It's more about how technology can support the guest journey in order to

"It's more about how you implement the guest journey into the technology in order to deliver a great customer experience. That's what's more important"

- Anders Westling, IT Director and CIO of McDonald's Sweden



deliver a great customer experience. That's what's more important."

It's all well and good striving to deliver the best possible restaurant experience, with innovative technology supporting it, but this cannot be achieved without high quality staff that understand this changing landscape.

McDonald's spends a significant amount of time investing in training and educational programmes to better enable its staff to understand and be able to utilise the new technology.

As Westling himself admits, working in restaurants now is so much more

than simply "greeting the guests".

"It's continuous work and we spend a lot of time on training," he says. "We are working with and educating all levels of staff to increase the knowledge and understanding of technology. We're working in many different areas to increase the knowledge and understanding of how the experience is changing."

Technology is a continuously evolving beast. The technology and the IT infrastructure that McDonald's has already implemented today could be obsolete, or at the very least

Anders Westling IT Director and CIO

Anders has many years of experience in senior positions in internationally operating Retail and FMCG organizations. Anders has also worked as a Management consultant for larger organizations to implement service management, deal with "emergency projects" and to carry out major organizational re-structuring, digital initiatives and change management.



lagging behind the market demand in as little as six or twelve months' time.

Westling points to the importance of having that roadmap and close collaboration with the restaurants, business functions as well as those critical partners as key to remaining ahead of the curve. With more opportunities to be more digitally enabled, Westling believes that the key thing to understand is to be exactly where the guests are and not to be where McDonald's feels it 'should' be.

"We have self-service order kiosks, we have mobile apps, we are now implementing table service and home delivery," he says. But Westling concedes that the most important component, is focusing on the guests restaurant experience and how technology can better enable that.

"We need to improve and free up more time for our employees though digitalisation to allow them to spend more time with our guests," he says.

"I think that's crucial and it helps us improve the way we listen to our guests. That will define our future and exactly how we continue to implement technology into our restaurant operations." ■



