

McDonald's Franchisee Boosts 90-Day Employee Retention by 38%

Dramatically Reducing Their Dependence on Sourcing During the Labor Crisis



CASE STUDY

Summary

A McDonald's franchisee was desperate to stabilize staffing levels in the face of a once in a generation labor crisis. The group wanted to reduce their dependence on sourcing while boosting employee retention, so they turned to Sprockets.

After implementing Sprockets at their 15 McDonald's franchise locations, our platform accurately predicted applicant success, empowering owners and operators to make smarter hiring decisions during the labor crisis. The staff they hired with Sprockets allowed them to achieve a 73% 90-day retention. In an industry averaging 130% employee turnover, their success with Sprockets proves the ability of our Applicant Matching System to increase employee retention.

90 Days Without Sprockets

June - August

VS

90 Days With Sprockets September - November

53% Crew Member Retention

73%

Crew Member Retention

91% Managerial Retention

100%

Managerial Retention

About the Franchise

Founded 1981 **Group Size**15 Locations

LocationArizona

The Challenge:

With a shallow applicant pool at the height of the labor crisis, this group was looking for solutions to dramatically increase employee retention and reduce their reliance on sourcing. Below, you can see their retention rates for crew members and manager positions prior to using Sprockets.

90 Days Without Sprockets
June - August

Position

Crew Member

Turnover Cost

\$1,300

Retention Rate

53%

Manager

\$3,600

91%

They needed to improve their employee retention and rely less on sourcing. It was time to add Sprockets to their hiring process.

The Sprockets Solution

The McDonald's franchise group used Sprockets to create unique success profiles for each location and used these as benchmarks to evaluate potential hires. Our **Applicant Matching System** then assigned "fit scores" to applicants using a combination of artificial intelligence, natural language processing, and over 80 years of psychological research. This simple scoring system made it easy for owners and operators to see who would be the best fit for each location (those that scored 8-10). These McDonald's franchise locations specifically focused on high-scoring applicants, ultimately leading to a boost in retention.



Andrea Rodriguez



Score Ranges from 9.0 - 10

This applicant is likely to be an excellent fit.



Rodney Simmons Crew Member



Score Ranges from 6.0 - 8.9

This applicant may be a great fit.



Paul Mazzei
Crew Member



Score Ranges from 0.0 - 5.9

This applicant is not likely to be a good fit.

The Results After 90-Days With Sprockets:

The retention rate of crew members hired using Sprockets' Applicant Matching System over 90 days increased from 53% to 73%. For managerial positions, the retention rate increased from 91% to 100% (these positions saw no turnover within 90-days). That is a 38% increase in crew member retention and a 9% increase in manager retention. After a total platform expense of \$3,195 this group saw an ROI of 13x with \$42,600 saved over this time period using Sprockets.

By the Numbers

38% Overall Improvement \rightarrow 73% Crew Member Retention Achieved

9% Overall Improvement $\longrightarrow 100\%$ Managerial Retention Achieved





Crew Member

Fewer Crew Members Lost

30↓ × \$1.300

Employee Replacement Cost



Manager

Fewer Crew Members Lost

× \$3,600

Employee Replacement Cost



The Power of **Sprockets**

Fewer Employees Lost to Turnover

In Total Savings

From an annualized perspective, this McDonald's franchise group could have ultimately saved \$170,400

Become the Next Success Story

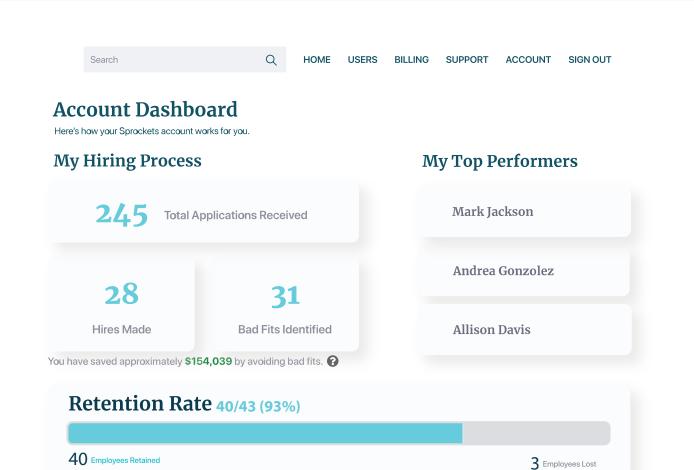
In a high turnover industry like food service, you can't afford to make hiring mistakes. You also shouldn't have to settle for quantity over quality. Luckily, **Sprockets empowers owners and operators to be selective and only hire the best applicants.** The employees they hired with Sprockets stayed longer than those who were hired without Sprockets, ultimately helping them reduce reliance on sourcing when it mattered most.

The easiest part about it is the setup. We did an hour-long call, and two hours later, we were getting surveys in through our system.

Sprockets bas been a big help in weeding out the people that we probably didn't even want to waste our time interviewing to begin with.

Curtis Wilhelmi - McDonald's Franchise Operator

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