

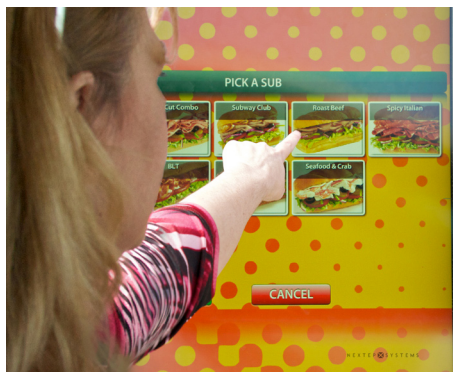
# Subway: NEXTEP SYSTEMS Touch Screen Drive-Thru Delivers ROI in 24 Weeks



A 20-year veteran with 25 successful Subway® franchises, Rob Woodward recently added NEXTEP SYSTEMS touch-screen kiosks to restaurants in Loveland, Colorado and Cheyenne, Wyoming.

“The only way to do drive-thru today is with this kiosk,” said Woodward, who now has four restaurants with touch-screen drive-thru kiosks. “Previously we had to have a dedicated employee asking and answering 50 questions about each sandwich. It was a slow, inaccurate and very costly means of taking orders. Our customers love the new system.”

“With the NEXTEP SYSTEMS kiosk, an average store will make enough additional profit to pay for the kiosk in six months,” estimated Woodward. “Not only does the kiosk generate an additional 15% increase in sales, it also saves 40 employee hours per week, as it doesn’t require someone dedicated to taking orders.”



Woodward said NEXTEP SYSTEMS kiosks are “faster, more accurate, and are more profitable” than traditional drive-thrus, and orders are larger. “The interactive kiosks are not shy about prompting customers for double meat or extra cheese,” said Woodward.

“The touch-screen drive-thru kiosks account for 30% to 35% of our sales. I’d guess half those customers would come inside anyway. That still translates into 15% increase in sales,” explained Woodward. “A \$10,000 per week store would generate additional \$1,500 in weekly sales. Labor doesn’t increase much; food, royalties, and labor are approximately 50%. That translates to \$750 per week clear profit.”

“Our investment in a drive thru kiosk is typically paid back within 24 weeks. Obviously it starts a little slower until customers use it, but payback is clearly huge,” said Woodward, who will be installing NEXTEP SYSTEMS kiosks in additional locations.

Subway recently began offering a full breakfast menu. “The fast-food breakfast segment is dominated by just one or two major players,” said Woodward. “Subway can beat the competition in

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*- Rob Woodward, Subway*

quality, freshness and health. Convenience is the primary hurdle. I believe that the NEXTEP kiosks are a key component to Subway’s speed, accuracy and profitability in drive-thru business.”

“Throughput speed and customer satisfaction will increase even further once we enable customer payment at the kiosks this spring,” said Tommy Woycik, president of NEXTEP SYSTEMS. “Once the credit-card reader and barcode scanner are activated, we will have the ability to identify a specific customer, and the system will remember and display their previous order preferences.”



NEXTEP has worked with Subway since 2005. “Our enterprise management package provides an affordable and simple solution for the franchisee to

modify menu options for any given location remotely,” said Woycik. “It provides a critical capability since each Subway location can have unique menu items, hours and prices.” Subway has more than 30,000 franchise locations worldwide.

The touch screen kiosks were developed by NEXTEP SYSTEMS and MRI, an industry leader in outdoor kiosk and digital signage hardware. Running NEXTEP SYSTEMS’ software, the kiosks feature a weatherproof 32” vertical interactive touch screen with an ambient light sensor to adjust brightness, and a Display Positioning System (DPS) to correctly adjust the ordering area for varying vehicle heights. They are available with a proximity sensor to welcome each customer as well as a webcam and premium audio system that allows restaurant staff to view and interact with the customer if needed.

Woodward was involved in the first generation of NEXTEP SYSTEMS touch screen kiosks installed between 2006 and 2008.