

Managing Risk at Domino's Pizza

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Chris Harman - National Security and Loss Prevention Manager, Domino's Pizza

For many organisations, a system that effectively and accurately alerts management to potential challenges and opportunities remains something of a holy grail.

Domino's Pizza, however, have uncovered such a solution – a system which provides not only early alerts of potential fraud, but also access to the data necessary to secure prosecutions.

Chris Harman, national security and loss prevention manager for Domino's Pizza championed the development of the system - known internally as Sherlock - to provide him with daily reports compiled from store-supplied information, thereby assisting him to identify trading anomalies which may indicate fraud.

The solution, developed over eight weeks by the Performance Management experts at Bistech, quickly earned its stripes.

“I can have the report available in five minutes on a bad day – it's almost paid for itself already,” says Harman. On just its second day of use, Sherlock proved its worth by pinpointing an incident at store level. Trading anomalies were identified, as a result of which a store manager admitted to the fraud after questioning by Harman, thus having his employment terminated and details of the offence handed to police.

As Harman explains, **“If we assume 10 cases a occurring a month then we can save \$100,000 a year. Once we put this out to our franchisees we expect to see the rate of fraudulent transactions through the franchisees falling dramatically too. If we can get 50 per cent saying (to their managers) ‘stop doing this’ then the battle's won.”**

The data in Sherlock is refreshed each day, with up-to-date reports available from noon. Though these reports are designed to assist fraud detection, the system is also structured to enable access to data at the store level regarding the individual customer, service representative, and even the unique transaction.

“This has had direct effects on the business. It has reduced fraud because the stores know that we have this programme and the ROI is huge, just from that. And much to the CIO's delight, this has reduced his workload,” says Harman.

Armed with improved reporting, it is now possible for Domino's Pizza to develop crossover applications, including the use of Sherlock to track the success of advertising campaigns, to identify spikes in fraud during large campaigns, as well as to identify where additional training might be required.

The Problem

Identifying and qualifying trading anomalies associated with fraudulent activity

The Solution

Bistech architected Fraud Detection solution

The Benefits

Measurable return on investment through recovery of funds and prevention of future losses



Domino's Pizza Enterprises is the largest pizza chain in Australia in terms of both network store numbers and network sales. It is the largest franchisee for the Domino's Pizza brand in the world. Domino's Pizza Enterprises extends across five countries, with more than 750 stores and employs approximately 16,000 people.

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