

Andy Sack (00:01)

This is AI First with Adam and Andy, the show that takes you straight to the front lines of AI innovation and business. I'm Andy Sack and alongside my co-host, Adam Brotman, each episode we bring you candid conversations with business leaders transforming their businesses with AI. No fluff, just real talk, actionable use cases and insights for you. Today we have a exciting episode. We hope that you as the audience

get a practical crawl, walk, run approach to AI adoption inside a real operating business. Today, it's my pleasure to welcome Dina Phillips, who's the VP and Head of Technology at Red Robin. ~ We first got to know Dina and the Red Robin team, I don't know, about like 18 months ago when we worked with them and did a AI bootcamp with their entire leadership team. ~ Welcome Dina, glad to have you.

Deena DePhilips (00:59)

Thank you. Thank you. So I'm so honored to be here.

Adam Brotman (01:04)

Good to see you, Dina.

Deena DePhilips (01:05)

Hey, Adam.

Andy Sack (01:07)

~ Dina, we're super happy that you're here to kick us off. Would you mind just introducing yourself, your role, as well as Red Robin? Because I know that some people may not know the chain.

Deena DePhilips (01:21)

Yeah, Dina DePhillips, head of technology at Red Robin and oversee anything and everything related to technology within our brand. And hopefully ~ everyone knows Red Robin. They might know our tagline, Red Robin Yum. And we have roughly 500 locations across the nation and ~ all over. So if you haven't been there, please go.

Andy Sack (01:48)

Are you

international or just domestic?

Deena DePhilips (01:52)

international because we have restaurants in Canada. That's it.

Andy Sack (01:56)

Great.

And Deena, in your own words, how would you describe your approach to AI leadership at Red Robin?

Deena DePhilips (02:08)

Yeah, for me personally and for my executive team, it's about leaning in and lead.

And it starts at the top and you'll hear me talk about that a lot. ~ mean, our CEO, Dave Pace, Adam, who you know really well is our executive sponsor. And that really helps when your CEO is the executive sponsor. But, you know, we're not chasing AI because it's trendy or it's hype. I mean, this is the new way of life, right? This is revolutionary technology. And when I say revolutionary, mean, we're talking steam engine, light bulb, internet,

phone. I mean, this is and I kind of hate when people use the word revolutionary because I think a lot of people dilute it. But this is what we're talking about. And I don't really think that there's an option to not engage with it. And it doesn't mean that you need millions of dollars. You can be pragmatic, but that's our approach is lean in and lead. And it's it's a paddle before the wave because it's coming. And my core philosophy around AI that I'm really adopting is that

AI needs to happen with us, not to us. So that's my approach.

Andy Sack (03:20)

And when like, trace back your own

usage, your own adoption of AI, and when you had the like, God, this is not this is not training wheels. This is like, right, we need to get on this. What was your your what we what I call the holy shit moment.

Deena DePhilips (03:38)

So my holy shit moment was at the end of 2024. I've been using ChatGPT since December, 2024. And I think I was naive because I thought like everyone was using this, but lo and behold, people were not. And so when I was such an early adopter and I knew this is big, this is a pivotal point, we're never going backwards. So.

Andy Sack (04:03)

And was there a specific moment, was there a specific interaction with Chachi BT that had you go, my gosh.

Deena DePhilips (04:11)

You know, I think it was just a culmination of using it, pushing it, having it analyze certain documents and realizing that there's so much power here. But not only, I mean, at the end of 2024, beginning of 2025, I just think about the model we have today. Even back then, it wasn't that great. And so I just just everything that I was seeing, you kind of get that intuitive Spidey sense.

of, my gosh, this is going to change the world. And just think about where we're going to be two, four, six, 10 years from now, right?

Andy Sack (04:51)

Adam, do you want to share some of your perspective working with Red Robin and Dina?

Adam Brotman (04:55)

Yeah, I mean, love Deena. So every once in a while you get lucky with a client, with Robin, in that both Dave and Deena, I mean, in different ways and coming at it from different perspectives were pretty ideal in my opinion. mean, meaning Deena was already, like she mentioned, she came into the bootcamp, you know, fairly well versed on AI and already thinking some of the things she just mentioned, which

It doesn't always happen with IT or technology leaders. Sometimes technology leaders can be plain defense. And I want to talk to Dina about this. But Dina was like this good mix of responsible but understanding that you had to also be responsible about how you employed cloud and databases and computers and internet, cetera. that was great. And then also, like Dina said, having CEO sponsorship

Even though Dave was not AI proficient necessarily on the nuts of Dina's point for sure, when we started working with Red Robin, his attitude reminded me of a lot of other great leaders. He had the growth mindset. He had the leadership mindset that Andy, you and I talked about in our first book, just as a leader. So it was amazing to have Dave and Dina come together. We pulled the team together. And it's fun now to see.

really sort of an ideal curve, in my opinion, for how Red Robin is thinking about AI, which we'll get into in a second. But that was my perspective, and it was a pleasure to work with them. But also, I'm really proud to see what you guys are doing. Dean, saw you spoke at, I think, a round table or fireside chat the other day. And there some news about it recently. And you were describing the Red Robin strategy, and I felt

just so happy to see what you're doing. we love it when people we work with are kind of share our thoughts. that was awesome to see. I would like, Andy, I don't want to get us off track, but I would love to ask you some questions about kind of how you live and go. OK, so.

Andy Sack (07:06)

Yeah, go Adam. This is we're on we're on the track.

Hold on, Adam, Adam, hold on. We're on the track as long as in the 30 minutes that we have with Dina that we get to the practical crawl walk run approach for specifically broadly enterprises and specifically restaurants.

Adam Brotman (07:26)

Yeah, I mean, maybe that's a good, maybe that is the setup for Dina to answer the question. Maybe she's gonna answer it in terms of Crawl Walk One. Because Dina, how do you, I mean, you're the head of technology for a publicly traded restaurant brand. Here you are, you have to sort of, you've acknowledged this is a revolutionary technology. Not everyone in the organization from the board all the way down to the servers in your restaurants, not everyone is nearly as proficient as you are.

understanding of what this tool is capable of, how do you balance the sort of the need for, you hear a lot of the need for security, like data privacy and security, and maybe even just staying out of trouble in general with the need to be innovative and take advantage of this revolutionary technology.

Deena DePhilips (08:19)

Yeah, so on

On our crawl walk run and just to level set with everyone, we were crawling, stood up, we saw a ledge, we leveraged it to stand up, took our first step and kind of, I would consider us wobbly walkers. Like we don't have it all figured out, right? ~ But I think I said something to you guys last time is we want people to run to the edge and be really curious and innovative and experiment, but you do have to balance that with governance and security.

and guardrails, but I really don't think that you can fully understand AI if you're not experimenting and if you're not being really curious. You're not going to be able to, if there's a lot of red tape, you're not going to push your own boundaries in terms of thinking and ~ learning about AI. So again, it's a very delicate dance, but yeah, that's a little bit of our journey.

And I would say go fast and be pragmatic. And you can do both of those can be true. know, Adam, something that you said that I think is really important, you said this on a roundtable a few weeks ago, and that was get organized. And you need one person dedicated to AI, someone who's waking up in the morning and going to bed at night, helping you manage it, orchestrate it, stay organized. And there's so much coming at you from the innovative side.

but also from the security side. And I would, I mean, I think you guys know this, that I'd be lying if I didn't say, and I think my peers would agree with this, is that we're all kind of running with scissors, right? This is foreign territory. And as good as this, as powerful as this technology is in the hands of the good guys, it's also in the hands of the bad guys. And if we think that they're good today at exploiting weaknesses,

to be better at it tomorrow, which means we have to be stronger. so, you know, rogue AI, prompt injections, data leakage, all of that is very real. So we have to be cognizant of that. I, and to get tactical, you know, for us at Red Robin, first and foremost, it's about having a policy and your technology team and your legal team coming together, having a really solid policy that everybody understands that they're not just pencil whipping a signature on. And

Number two is that you're training people on that policy. And I would say third, what we're seeing right now is we're just getting inundated with legal contracts. Because right now every product or solution out there or every vendor that we work with now has some embedded AI into it. And so make sure that you have legal protections in place and really thorough process there. And then last but not least on the security and governance side is that ~

technology team. is where I focus a lot with my team is your data team, DevOps, security, that they're being up skilled, trained, and they know what to look for and that they're becoming experts themselves. Because again, this is new territory. But I want to, my role in in shepherding AI in our organization is also to make sure that we allow people to have fun, to run to the edges and to explore. So again, you just have to balance out, make

And I'd be also lying if I didn't say that every once in a while I'm slapping someone's hand, right? You've got to pull them back a little bit. But I'd rather pull them back than have to put the red tape in in the first place.

Andy Sack (11:58)
But

what does it mean to allow an employee to run to the edges?

Deena DePhilips (12:05)
Yeah, well, you know, I've been to a lot of tech conferences in the last few months and obviously the hot topic is AI. Every conference anybody goes to this year is going to be centered around AI.

And one of my epiphanies is that there's a lot of conversation about readiness and, you know, infrastructure and semantic layers and kind of all the boring stuff. But I don't think there's enough conversation on.

this is a really cool tool. Are we having fun with it? Like if you were to go back to the 1700s and ask someone what they wanted in transportation to improve it, they were going to say more horses and bigger wagons, right? And now we have self-driving cars. So it's a little bit helping people think about the art of the possible, dream big. Now it doesn't mean that we can go chase every glamorous use case ~ and we can't boil the ocean. But again, I think in order for you to

really understand AI, you got to push your own boundaries of thinking and that's play with it, try to integrate it into something, try to make something agentic, try to automate something and they're going to run into roadblocks because ultimately you need some technical help there. But just pushing people to go deeper than clean up this email or analyze it.

Andy Sack (13:29)
Do

you have an example at Red Robin of someone who's done that and either shared it internally or shared it externally? Give me an example.

Deena DePhilips (13:41)

of where they've like run to the edges.

Andy Sack (13:43)

Yeah. And had fun.

Deena DePhilips (13:45)

Yeah, and had fun. You know, again, we're pretty, as I shared with you in our crawl walk, run journey, we're the wobbly walkers. So I would say I don't have this big thing that they've done yet. We're kind of coming out of that adoption change management phase. ~ But I think I see just a lot of cool tinkering. And I also told my CEO Dave Pace this the other day of I think there's a lot of silent experimentation happening where they're not necessarily sharing.

Andy Sack (13:53)

Yeah.

Deena DePhilips (14:15)

it's not perfect yet. And so I keep saying, when we're like trying to gamify it, we're trying to give gift cards and awards and hey, show us what you're doing out there. But you know, our marketing is coming up with some really cool ~ just marketing content for social media. ~ Our ops guys are coming up with neat ways on how to analyze labor and cost of goods. So things like that.

Adam Brotman (14:42)

Dino, where would you think without, it doesn't have to be something that's happened yet, or maybe it's something you can't talk about publicly at either one, but just in general or in theory, where do you think AI is going to have the most impact for RedRobin in terms of like, is it customer facing stuff? it restaurant facing efficiencies, being better at labor scheduling and call it ordering and waste? it, you know,

customer ordering, like when you think about the art of the possible and without even saying you've done it already, like what gets you excited?

Deena DePhilips (15:23)

Yeah, someone asked this to me in that fireside chat that I did last week and I'll kind of give a similar answer, but maybe modify it. But I think there's an element of we don't know what we don't know. And the question was, how is it modifying the hospitality industry? you know, ultimately, hospitality is a human experience, right? I don't think we're ever going to see where the robot overlords come in and take over ~

what humans do really well. that's what I want to be careful with. ~ AI is never going to recognize when a human comes in and has been the example that I use has been crying and they're sad or they're having a rough day, right? That's ultimately going to be a human to human connection. But I think the places where AI is going to really make an impact is freeing up time so we can spend more time with the guest. And that's I mean, you know this, Adam, from, you know, your your hospital

But working in restaurants is really hard. mean, there's real pressures around labor and cost of goods. The margins in our business are not very big. And ~ everyone's running and sprinting. ~ Execute the shift and then get out. And so for us, it's about giving that gift of time back to our operators so they can spend more time improving the guest experience. And that kind of sounds like a generic answer, but truly that's what we mean. So and then on the the on the

Adam Brotman (16:50)
Yeah.

Deena DePhilips (16:52)
P & L side, I've said this to you before Adam, we're really focused on the center of the P & L. It doesn't matter which restaurant company you are, say a name, we spend the most money on cost of goods and labor. So we think that there's real opportunity there. I'm Six Sigma certified, so even think about 1 % of a \$400 million labor line, right? So.

Adam Brotman (17:15)
Yeah, I, by the way, I, it's funny you mentioned the examples you did, Andy's probably chuckling inside because, know, we, we are, I'm hot to trot on the same lines that you are Dina about what this technology can do for the store restaurant operators like that.

Deena DePhilips (17:21)
you

Adam Brotman (17:33)
It's a really hard job, as you said. it's hard and it's kind of amazing the amount of weight as an industry we put on the store manager, the general manager, whatever you want to call it. They sort of are running this business. They run a staff. You know, they might have helped.

from a DM or an RD when they get it. they're kind of on their own. It's kind of like the CEOs always complain about it's lonely. I bet you store managers and restaurant managers feel the same way sometimes. And it's a hard job. it's like, I'm so excited for the human helping a human being in this way that it will also have big impact on the business. I I remember at Starbucks, ~

Deena DePhilips (18:02)
totally.

Adam Brotman (18:17)

I remember one of my first years on the job, I was sitting with the U S leadership team and you know, very naively was like amazed at they would tell a story in the morning standup meeting amongst the operators about how some store manager that got replaced or whatever. And there's a new store manager at this Starbucks store and now they're comping 10 % up and they were comping 10 % down. I'm like, I'm like a store manager can do that. Like, you know, it was like, oh yeah, like they are.

Deena DePhilips (18:41)
Yeah.

Adam Brotman (18:47)
everything, right? And so, you know, so it can really affect when a human like that can affect a business. I'm sure people listening to this podcast are probably thinking, where you know, where in your business is the highest leverage point? Like, AI is can help anybody. And so, you know, pick and you got to be careful and pick your battles. But I'm glad you said what you said, because I feel the same way as you about the opportunity. And yes, do I want fancy, you know, personalized

AI ordering stuff, sure, like that's gonna be cool. Like we're all gonna have our agents and our agents are gonna talk to the agent on the restaurant side and like that's all gonna happen in the future. But I'm excited for the human stuff as well. So I'm glad you said that.

Deena DePhilips (19:17)
Yeah

Yeah

Yeah, Avatar to Avatar. Well.

Adam Brotman (19:30)
Yeah.

Deena DePhilips (19:31)
You know, you, we, when we were in the bootcamp with you, Adam, we stole, kind of stole your slide and that was your Ironman slide. So we actually just ended up rolling out our, the AI tool to all of our GMs are what we call managing partners of our restaurants. And our big motto is this is your Ironman suit. Now it takes a lot of skill to operate that Ironman suit, right? But get time back in your day, analyze your business better.

Adam Brotman (19:57)
Ha

Deena DePhilips (20:00)
Think of creative ideas to take care of your guests and your team members. Absolutely. Yeah

Adam Brotman (20:06)

That's awesome.

Andy Sack (20:07)

Dean, I'm, excuse me, I'm curious. ~ What, when you think about your AI journey, what ~ dating back to when you engaged with forum three, what, what stood out? Like, what was the take the big takeaway from the bootcamp with forum three, I'm not looking for an advertisement or a plug, but like, what stuck with you 18 months later?

Deena DePhilips (20:32)

Yeah, you know, for me...

I think that was a really critical point and I'll give you guys all the plug and please anyone who's listening to this go buy the book AI First and listen to this podcast and hire Adam and Andy. what was a pivotal point for us is coming in and getting our executive leadership aligned that they are all AI transformation leaders. of course, Dave came in and that was kind of I think the purpose

Andy Sack (20:43)

Yeah.

Deena DePhilips (21:05)

of what he wanted to do. But Adam, I watched all of our executives walk away from those boot camp sessions motivated and inspired and aligned that we were going to be all in, that it was going to start from the top and that they had a responsibility. If I lead AI on my own in this organization, I will fail. I need my counterparts to be leading it with me, with CEOs. So for us, the biggest takeaway was how critical ~ change management

is with our senior leadership team.

Andy Sack (21:38)

And just for our audience, ~ what do you use as your primary LLM tool? And do you have that across all your employees or just a subset?

Deena DePhilips (21:45)

Ciao GPT.

all of our corporate office and all of the leaders that operate our restaurants. We don't have it at the team member dishwasher server level, right? We just have it with the leaders. And that was also part of forum three coming in. Andy, was on the precipice of figuring out, am I gonna go chat GPT or am gonna go Microsoft Copilot because I'm a Microsoft shop?

And you are also the tilting point in going all in with ChatGPT and OpenAI. So thank you for that.

Andy Sack (22:23)

Yeah.

Yeah, given recent events, I think that turned out to be the right call.

Deena DePhilips (22:30)

Yep, we don't regret it.

Andy Sack (22:33)

Adam, any other questions for Dina?

Adam Brotman (22:38)

The only last question, Dean, I have for you is when you think about the future of AI, where it's going, the model's getting better, the system's getting more agentially capable, what are your thoughts on autonomous agents? I just would be curious to know, is it on your mind at all?

I just would love your sort raw reaction to that.

Deena DePhilips (23:09)

Yeah, you know, this is it's been on my heart a lot and my mind on where do go from here?

And, you know, I say this kind of cheeky, but AI also as powerful and incredible and revolutionary as it is, it's not going to solve world hunger tomorrow. So I think tempering expectations, this might be this might be debatable, but AI, not every problem needs to be solved by AI. Right. It's not it's not God in a box. It's not King. However, so what we're trying because I think right now what I see is Catholic

everyone is saying we can use AI for this and this this this this. so, I mean, if you know this as well as I do and being part of your roundtable, there's still a limit to our resources and our dollars on how much we can invest and deploy here. ~

As I just said, restaurant business is small margins, right? So we have to be very intentional with the use cases that are going to move the needle and make a difference. And we can't boil the ocean. And so the future is a gentic 100 percent. But what I'm trying to I'm trying to do this dance where if you need to move a pile of sand in your backyard from one end to another, you're going to use a wheelbarrow, right? You're not going to use a dump truck.

So again, not everything needs to be solved by AI. I think that's right now we're in the phase of trying to figure out ~ what are those use cases, small, medium and large, that we want to go after that's going to enhance productivity, but also help us drive sales and traffic and help in the center of the P &L. So we are in that process of just taking the 300 use cases that we have and kind of going line by line and looking for the ROI.

But in terms of agentic, I think the agentic workforce is going to be here. And I think the question that we need to ask ourselves is, you know, there's in some cases that is going to replace a work some people in the workforce. And in some cases, that's going to open up bandwidth for those people to solve other problems in your organization. Right. So I don't know if I answered your question.

Adam Brotman (25:27)

You totally did. No,

Andy Sack (25:28)

You did.

Adam Brotman (25:29)

that was a wonderful way to kind of end the Q &A part of this.

Andy Sack (25:34)

Yeah, so Adam, ~ I think we're sort of at time. What do you want to highlight for our audience from what Dina had to say or just from your work with them? Is there anything that jumps out at you?

Adam Brotman (25:49)

I mean, I, Dina is, did not disappoint. had high expectations for her coming on here and, and I'm a big fan and, I, and I also want to put in a plug for Red Robin. I'm a, my, it's a big family favorite of ours and I'm a kind of lifelong customer growing up in Seattle, but in there and they're everywhere. So, so cool to see such a great team at Red Robin. So a couple of things from what Dina said today that stuck out to me. One is I like,

There were two different, it's almost like you book ended today with human connection, human ~ topics. When I asked you, for example, where do you think AI can have the biggest impact? You're like, I want to go right to the humans that have the hardest job and make their job easier, make them better at their job and sort of help the human. It's not about the bottom line. Help the human help the bottom line. Don't just think about just AI for AI's sake. And I like how you ended by saying,

Don't just try and be a caffeinated squirrel and think everything's for AI. I also loved your, you mentioned twice during the interview today about the importance of leadership and the mindset of leadership once when it came to the CEO, Dave Pace, but also just how you found getting the whole executive team, the C-suite aligned, that they're all part of that. It's not just Dave, it's not just you, it's...

It's the whole leadership team is bought into like that we need to be on this transformational journey. Let's get aligned on it because this is going to be a change management process. And it's not an easy one. And especially with AI, because AI is like this unique animal. And it changes every day and it moves fast and it causes people emotional dissonance for good

reason. So I love your both your human points as well as your other human point, which is about leadership. And my final point is.

The whole crawl walk run, how do you balance security with innovation? Your run to the edges, that expression run to the edge is a great line. So you can steal our Ironman, we're gonna steal your run to the edge.

Deena DePhilips (27:58)
Deal.

Andy Sack (27:59)
Yeah,

no, ~ I love the run to the edges as well. I also love the ~ two other metaphors that you used. One was the wobbly walk. You're not yet at the run stage. ~ The wobbly walk is a really good description of sort of an organization's AI transformation. ~

And I also like the running with scissors because AI is an amazing tool. It does get used all the time, even when it doesn't need to be. ~ And it is running with scissors. So being aware that it's a powerful tool for the good guys and the bad guys is worth highlighting. look forward to, you know, it's also really, I'll end by saying it's also really worthwhile to ~

mentioned, you talked about using AI for scheduling, for cost of goods sold, for core elements of the business. You didn't once really mention ROI as like, was sort of implied and intuitive that AI is a worthwhile investment for Red Robin. But you did not explicitly talk about ROI. And I think that's something I want to highlight because a lot of times,

We work with lot of different industries, a lot of different companies, and ROI and like, ~ did it prove its ROI? And there's an implicit like, wow, this is a game changing technology. You need to be on the side of experimenting and run for the edges. You do not in the first year to 18 months need to be focused in proving out ROI.

And I think that's consistent with Adam and Mai's belief, and that allows people to run for the edges. So I want to highlight and compliment you on, at least you, on not...

not mentioning ROI in the, I mean, don't tell Dave, but I'm complimenting you for not mentioning ROI. So with that, that's our episode with Dina DePhillips and Red Robin. Thank you so much for coming on. I think we delivered on what we promised at the beginning, which is at least we talked about the crawl walk, wobbly walk run process that

Adam Brotman (29:58)
Yeah.

Hahaha

Andy Sack (30:26)

enterprises go through in their transformation with AI. Thank you to the audience for listening to AI First with Adam and Andy. For more resources on how to become AI First, can visit our website, form3.com, download case studies, research briefings, executive summaries, and sign up for our email list. We also invite you to connect with our AI First community, a curated hub, and network for leaders turning AI hype into action.

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