Do you interact with customers? Consider a point-of-sale system

By Jamie Lendino
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Executive summary:
If you have an establishment that takes payment onsite, consider a point-of-sale system. It can increase efficiency and give you new sales ideas.

If you run a restaurant or other establishment that requires a lot of cash and credit card transactions, a point-of-sale (POS) system can be an important asset. POS is a combination of dedicated software and computer hardware that lets you ring up customer purchases, track inventory, accept credit cards, take food orders and transmit them to the kitchen and cash register, generate sales reports, and more.

The systems are typically built either for retail stores or for hospitality businesses such as restaurants or hotels. Follow these guidelines before adding POS to your business.

Think beyond the cash register
An off-the-shelf system typically costs at least $1,500 per station, but it can provide important revenue-generating add-ons such as frequent buyer tracking and coupon offers, managing inventory to isolate poor sellers and reduce theft, touch screens, and customer info for mailing lists.

Remote access may help
Tim Oliver is the owner of Dogma Catma, a high-end pet products retailer in San Diego, California, with several employees. He purchased an Intuit QuickBooks POS system ($1,500 per station) for his in-store desktop that he can access from his office laptop. "I no longer have to interact with the customer flow out there," he says. "It eliminates distractions and makes me more productive in the back office."

Make sure your system is flexible and can expand as needed
Oliver can take his laptop out of the back room to ring up sales. "We're normally a one-cash-register store, but during the holidays, it now gives me the ability to have a second register set up." Last year, he lost customers because of long lines.

Decide on wireless handheld or a touch screen
Although touch screens are the norm, handhelds let wait staff take more orders in the same amount of time. "Once we started using [the handheld], it was just amazing," said Thai Hau, the owner of six 7,500-square-foot Spring Rolls restaurants in Toronto, Canada, and an ASI Restaurant Manager POS system user ($10,000 and up per station). Servers "can take one table's order and immediately move to the next table and take that order, without having to stop, go back to the kitchen, get drinks for the customers, etc. It's so fast that we needed to hire a food runner. The average sales per server went up 30 percent." On the other hand, touch screens are probably sufficient for a bar area, where staff members generally stay in one spot and only occasionally call food orders to the kitchen.

Pay attention to support
Support contracts can cost $50 and more per month. If you use your POS system to accept revenue, you must make sure it's available whenever your services are. Look for specific guarantees in the contract, with penalties for lack of service. And always be ready to break out that old manual cash register if need be.

Look for detailed reporting
Normandy Farms Family Camping Resort, a 100-acre facility in Foxboro, Massachusetts, installed a multiuser system from PC America ($1,800 to $5,000 per station). The system lets employees check in guests, track inventory, ring up gift shop sales, and take orders for the kitchen. Eighty built-in reports help owner Kristine Daniels make sense of all the data and see what correlations there might be. "It has completely transformed our business," Daniels said. "It has helped with speeding up sales, inventory control, and security levels for employees. It also integrates with our QuickBooks accounting software." Rolling her reports into Microsoft Access database software has helped her target services to specific groups of customers and continuously improve company operations.