



THE GROWING SUCCESS OF RESTAURANT

POS SYSTEMS

By Jeff Owens

Once upon a time, restaurateurs had never heard of computers and digital technology. Everything was done in pencil and pen on endless little pieces of paper and lined ledgers. Orders were taken on, totaled on and settled by little handwritten slips. Cash registers were mechanical.

Not any more. The industry has gone vigorously digital, magnetic and plastic.

Modern restaurants now include a large element of Mission Control, due largely to the overwhelming popularity of point-of-sale (POS) systems. They make nearly every facet of running a restaurant easier, and you don't have to be an M.I.T. grad to use one. But why are we telling you? Heck, unless your last name is Flintstone, you're probably using one right now. To what do we ascribe the amazing success of this revolutionary technology?

"Why are POS systems so big?" asks Paul Leff, regional sales manager for Bensonville, Ill.-based POSitouch dealer Retail Control Solutions. "Because they help control your costs, and in the restaurant industry, the two biggest costs are food and labor."

"Twas not always so cut-and-dried, though. POS technology didn't exactly explode into the marketplace when it was first introduced. It has been a gradual revolution.

"POS came about initially because restaurant owners wanted to track their business more effectively and efficiently," says Christopher Wright, marketing director for Silver Spring, Md.-based Action Systems Inc. (ASI). "Restaurateurs ran the risk of not really knowing what their business was doing. Now, literally, every aspect that a restaurateur wants to track is possible."

He's right. Heck, POS systems do so many things now that they'll probably be pouring drinks, seating customers and sautéing mushrooms before long. Indeed, as Bill Schmid of Columbia, Md.-based Micros Systems Inc. says, restaurateurs needn't even be onsite.

"The earliest versions of POS were for tracking sales," he says. "Since then, it has evolved to do so much more—marketing, frequency and loyalty programs, web-based reporting tools, and more. You don't even have to be in the building."

Joe Prewitt, president and CEO of Tempe, Ariz.-based computer maintenance and support organization Southwestern Computer Technologies (SwCT), says, "It's really up to an individual's creativity—it's no longer just an electronic cash register; it can be a sales aid."

Prewitt says that with the disappearance of older, clunkier DOS-based POS systems,

newer Windows-based platforms are "far more stable and far more efficient."

"POS used to promise more than it could deliver," he adds. "Now it's finally starting to fulfill its promise."

What about costs? Those who say they can't afford POS systems are often answered by those who say that at the rate that technology is revolutionizing the restaurant industry, they can't not afford POS systems.

"A lot of people tend to think that you need to tighten your belt in economic times like these and not buy new systems," says Glenn Paciaroni, owner of Charleston, S.C.-based B&C Hospitality Systems, a Digital Dining, System 3 and Uniwell dealer. "But the savvy business owner will see the advantage of such systems to control costs. They can actually increase sales and check averages; increase profitability. Gift card programs alone are phenomenal—they can actually pay for a system in the first year and a half or so."

Prewitt, whose company now offers the Dinerware POS line, concurs heartily. "I know \$25,000 sounds like a lot, but spread out over three or four years, it's really not that much."

And the future? That appears to be two things: without wires and small enough to

Here's what other POS experts across the nation have to say:

"The features and benefits of POS that have been around for a while now for large chains are now available and affordable for single-store and small-chain operations."

—John Hill, president and CEO,
ACR Systems Inc., Birmingham, Ala.

"It's been proven that a wireless technology with table-side ordering can reduce costs by 6 percent and increase revenues by 10 percent."

—Mel Welch, president and CEO,
Bi-State Retail Systems of Indiana, Rockford, Ill.

"POS is here to stay. It's stronger than ever—as the technology and capabilities increase, it's going to make it easier for the restaurateur with multiple stores to analyze data without physically being on site."

—Keith Barnette, president and CEO,
Dynamic Systems Corp., Charleston, S.C.

"I think the next trend is going to be the integration of gift cards and cash cards with the POS terminals. Before it was just a paper gift certificate; now it's a reusable and rechargeable card."

—Jim Newberry, general manager,
American Point of Sale Systems, Phoenix

hold in your hand. It's already happening, and experts agree that it's probably going to snowball over coming years.

"The future is in wireless handheld systems," Wright says. "There's no doubt that it's the future—it's too efficient not to be. You can send an order from tableside directly to the kitchen or bar. It makes it so much more convenient for the customer, and the server never has to leave the floor—it turns the server back into a salesperson."

ASI's Write-On hand-held POS system uses handwriting recognition to create a simple POS system that works just like a pencil and pad. Servers use it to quickly write down orders and instantly send them to the kitchen. Managers use it for everything from printing checks for customers to viewing the status of open orders to viewing real-time sales reports and receiving alerts when employees near overtime.

Consequently, Wright says, in the 50 or so restaurants using the units, "We've seen revues increase 10 to 15 percent."

Schmid says hand-held is, hands-down, the industry's Next Big Thing.

"We're definitely going to see it a lot more in the industry," he says. "One could foresee wireless technology as one of the next big advances in the industry. Just think about not having to wire your building."

Leff's company has been offering wireless hand-held technology for a while now in larger applications, but restaurants are now getting on board in increasing numbers.

"We've had that technology out and working for years," he says. "We've had it in stadiums, and now it's moving into restaurant and quick-service applications."

POS is the future. Your future. It simply cannot be ignored. No longer the complex, temperamental technology of a dozen years ago, POS systems are now streamlined, efficient and, increasingly, ever-present. But like we said, what are we telling you for? You're probably busy using one right now. ★