

Restaurant Forum

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Point of Sale (POS) Systems

Answers and Applications

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An ounce of prevention is worth a pound of cure. When mired in the day-to-day details of your business, it can be easy to forget that maxim's lesson and focus on whatever requires immediate attention. But, waiting until something stops working or needs upgrading carries risks. Taking time to learn about Point of Sale (POS) systems can save time and potential frustration before the need arises.

POS systems used the right way can provide faster service, more accurate orders and financial accounting, and increased security, among other benefits.

THE BASICS

POS systems combine hardware and software to automate restaurant transactions. While there is no absolute standard—systems may be DOS or Microsoft Windows-based, customized or off-the-shelf, proprietary or nonproprietary, broad or focused solutions, etc.—most offer similar capabilities.

Typically, food and drink orders are entered into the system (either by a server or the customer). After items are recorded (such as “prime rib”), additional information may be attached. Such details may be required (like “rare”) or optional (“horseradish”). The order is sent to printers throughout the restaurant (in the bar, kitchen or special prep areas), ensuring that items are ordered before being prepared. Orders can be updated at any time (like adding another round of cocktails). After service is complete, the customer is presented with a check (printed or electronic). Certain discounts, taxes, tipping, check-splitting and other calculations may be processed automatically; others may require management control. Payment is processed. Most systems can generate reports—from server performance and sales to time and attendance, to payments, voids,

profitability, inventory and table turns—by day, week, month, year or any timeframe.

WHAT'S NEW

Technology changes at a rapid pace, responding to industry trends and sometimes changing the way business is done. POS system trends include the following:

Handwriting recognition in write-on wireless handheld devices will be as commonplace in the foodservice industry within five years as the touch screen is today, ASI predicts.

Internet protocol (IP)-based solutions are increasingly the standard over dial-up, says Ty Hardison, business development of Vantage Card Services, Inc.

Multi-Lingual capabilities, like Next-POS software, allow orders to be entered in English, yet viewed in the kitchen in a native language (like Chinese).

Radio Frequency Identification (RFID) embeds a tiny microchip and radio antenna into cards that are scanned by automated reading equipment with a simple wave instead of swipe. Contact-less processing saves time, and is “a more secure way to read card information,” says Brian Cook, chief technology officer of the Radiant Hospitality Division.

Self-service consumer-centric technologies include kiosks, interactive customer displays and Web ordering. Brian Cook claims that animated graphics on kiosks have been shown to increase sales by 20 percent compared to a static wall sign.

Smart Cards contain an embedded microprocessor. Popular in Europe, these are just taking off in the United States. Cards are swiped through a reader, yet offer improved security over magnetic stripes.

Thermal printers put an end to ribbon changes and toner.

Wireless technologies are faster than

landline transactions and portable. One advantage is that “Handheld wireless devices are stand-alone resilient, so if the server goes offline, these still work,” explains David Shaw, president of Postec. Another is allowing patrons to completely control their credit card authorizations using handheld devices like TableSwipe, thereby eliminating “skimming” and facilitating faster table turns.

Web-based systems for reporting and back office management are growing in popularity, as are technologies to support off-premise and “to go” sales, including delivery management systems.

THINGS TO CONSIDER

When purchasing or upgrading a POS system, understanding your needs is crucial. Getting answers to questions like these may help:

- Is the solution software, hardware or both? What about compatibility? If necessary in the future, could you change one and retain the other?
- Is the system easy to use? Are icons readily identifiable? Is the screen flow logical? Is English the only language?
- Is training provided? Is it standard or custom? How steep is the learning curve?
- Is the system flexible? Can it handle multiple currencies? Various sales tax requirements? Interface with other systems (like your existing payroll or banking systems)? Can it grow with your business?
- Who handles installation? Setup? Programming?
- Is the system reliable and durable?
- What guarantees are included?
- What happens when compliance requirements change?
- Are local support services available? How about a help desk? Is help available 24/7?

Does an operator or an automated system answer calls? Are calls toll-free?

- What is the electronic audit trail?
- How is system security? Anti-virus protection? Firewalls? Spyware?
- If the system goes down for any reason, can credit/debit card payments continue to be processed? If one device is down, do others remain operational?
- What is the POS company's reputation and track record? References? If two or more firms are working together (such as a manufacturer and reseller), how long has that relationship been in place?
- Do you believe the firm(s) will remain in business over the next few years (a POS system can be a five to seven year investment)?
- Does the contract stipulate that the system you agreed to purchase will, in fact, be the one installed?
- What is the seller's relationship with any vendor/manufacturer of the system being recommended?
- What is the cost of ownership over a five-year period? Does it seem too good to be true?

As with any important decision, when selecting a POS system, be prepared to do your own research and read all contracts before signing them.

LEARN MORE

Surf online to catch a wave of POS and technology information:

Aloha — www.alohapos.com

ASI — www.actionssystem.com

Dinerware — www.dinerware.com

Givex — www.givex.com

HotSauce Technologies — www.hotsaucepos.com

InfoGenesis — www.infogenesis.com

Maitre'D — www.maitredpos.com



Tableswise's "Paying-at-the-table" system integrates POS with customer credit card control. Along with combating credit card theft and "skimming" in restaurants, Tableswise was developed to facilitate faster table turns, and make restaurant operations more efficient. For more information, call (205) 620-4047.



ASI's Write-On Handheld gives servers the ability to split checks, split items and split payment on the wireless handheld unit. It also allows servers to process all forms of payment, including credit card cards and gift cards, right at the tableside — helping deter credit card fraud. For more information, call (770) 200-7488.



The MICROS Kitchen Display System, recipient of the 2005 National Restaurant Association Kitchen Innovations Award, automates restaurant kitchen production. The system synchronizes menu items by course, prep time and kitchen load in order to maximize kitchen productivity. For more information, call (678) 424-4000.



Panasonic's 7750 System Workstation includes these features: Embedded Graphic User Interface operating system that enables ease of graphics, configurable touchscreen layouts and pop-up menus, three-panel view for quick reference when filling and tendering orders — all in one design. For more information, call (770) 984-0276.



With PixelPoint's Web-to-Go software, customers can visit your Web site and place their order. Web-to-Go delivers it direct to the restaurant's kitchen printer. For more information, call (678) 380-3723.



The Aloha by Radiant Systems POS systems features an easy-to-use graphical interface, which decreases employee training time. For more information, call (678) 627-0401.

Micros — www.micros.com
NextPOS — www.nextpos.com
Panasonic —
www.panasonic.com/business/pos/pananet.asp
Pixel Point — www.pixelpointpos.com
Positouch — www.positouch.com
Postec — www.postec.com
Sharp — www.sharppusa.com
Squirrel Systems —
www.squirrelsistemas.com
TableSwipe — www.tableswipe.com
Vantage Card Services, Inc. —
www.vantagecard.com ■

Security Requirements

In your business, you're likely to collect personal information from two sources: employees and customers. Keeping such information safe makes sense from ethics and service standpoints, but safeguarding personal data is also a requirement.

And for good reason: According to the National Crime Prevention Council, identity theft is the fastest-growing crime in the U.S. The Federal Trade Commission reported nearly 250,000 identify theft victims nationwide in 2004. Georgia ranked 11th with 7,440 victims. (The top five cities were Atlanta, Marietta, Decatur, Lawrenceville and Stone Mountain.) The FTC cites credit card fraud as the most common form of reported identity theft.

The Fair and Accurate Credit Transactions Act, passed in December of 2003, added a disposal provision effective June 1, 2005. The law requires that all paper or computer disks containing personal information are destroyed — shredded, burned, smashed or wiped — before being discarded.

The law actually builds on strict, detailed security provisions, which all of the major credit card companies started implementing in 2000, including:

- American Express Data Security Operating Policy (DSOP);
- Discover Information Security and Compliance (DISC) program;

- MasterCard Site Data Protection (SDP) program;
- Visa International Account Information Security (AIS) program;
- Visa USA Cardholder Information Security Program (CISP).

Late last year, Visa and MasterCard aligned their programs in the Payment Card Industry (PCI) Data Security Standard, with these requirements:

1. Use a firewall.
2. Don't use vendor-supplied defaults.
3. Protect and minimize stored data.
4. Encrypt data sent across public networks.
5. Use updated anti-virus software.
6. Use secure systems and applications.
7. Restrict access by "need to know."
8. Assign unique IDs to each person with computer access.
9. Restrict and track all data access.
10. Destroy data when it's no longer needed.
11. Routinely test security systems and processes.
12. Have an information security policy.

Meanwhile, like all businesses, your financial records must comply with federal accounting requirements. A POS system can help achieve compliance with federal and state regulations.