the
Smart
2015
— DECISION GUIDE TO —
Restaurant POS Systems

Everything you need to know about next-generation restaurant
point of sale systems – and how to select the right one for your business.

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INTRODUCTION

Point of sale (POS) systems have undergone dramatic change in recent years — more dramatic, perhaps, than any the restaurant industry has seen since the decades-old shift from cash registers to POS terminals. These changes encompass both the software and hardware that top-performing restaurants are using today to improve business operations and customer satisfaction — and, ultimately, to reduce costs and increase revenues.

The most obvious change is the adoption of tablets. According to research conducted for this Smart Decision Guide, more than three-quarters (76%) of restaurant owners and managers cite the benefits of mobile devices — which, increasingly, are supplementing or replacing stationary terminals in certain restaurant segments — as the top reason to upgrade their POS systems.

The allure of mobility, which enables tableside ordering and payment processing, may be having the greatest impact on purchase decisions, at least in table service environments. New data security requirements along with a number of advances in features and functionality are also certainly factoring into the equation. These advances range from more robust data analysis and reporting capabilities to expanded payment processing options to handle the proliferation of chip-and-pin cards and e-wallet apps. Other key drivers include everything from CRM, marketing and customer loyalty program features to built-in inventory control and labor management capabilities.

> Relying on an underperforming system to manage practically every facet of their day-today business operations can be a recipe for disaster.

INTRODUCTION

In short, there is no lack of compelling reasons for restaurateurs to upgrade their POS systems. Yet many restaurants continue to use antiquated systems, whether out of habit, due to misplaced priorities or simply because they lack a good understanding of the financial and other benefits that a nextgeneration system can deliver. Whatever the reason, relying on an underperforming system to manage practically every facet of their day-to-day business operations may, for many restaurants, be a recipe or disaster.

Of course, selecting the right restaurant POS system can be a daunting task. There is an overwhelming number of well-performing options in the marketplace today. Comparing and contrasting the capabilities for each solution is not easily done without a commitment of time and energy and also a solid framework for evaluation. As a first step, restaurants need to gain clarity around their own unique needs and priorities. The process of selecting the right POS system therefore begins with a simple maxim: "know thyself."

This Smart Decision Guide offers a roadmap to success for restaurant owners and managers — as well as IT decision makers, in the case of larger operations — looking to harness the power of next-generation POS systems. It includes guidance for what to look for in a system, actionable insights for evaluating the different options and a framework for making the right selection. It also includes pointers on how to maximize the value of the investment once the system has been implemented.

CHAPTER 1
TOPIC OVERVIEW AND KEY CONCEPTS

The evolution of Restaurant POS Systems calls to mind the theory of punctuated equilibrium. Simply put, the theory holds that biological evolution is not a long and gradual process. Rather, it comes in sudden spurts after long stretches of little change and only after something substantial and disruptive happens outside the normal system. At that point, species tend to change very rapidly.

With respect to Restaurant POS Systems, technology innovation was fairly slow and incremental for decades, up until quite recently. Servers used stationary terminals to place customer orders, print their bills and process the transactions. Expanded features and functionality such as CRM and inventory management came about gradually and tended to have relatively little impact on the things that restaurant managers care about most — things like improving staff efficiency and the customer experience. Then, like the sudden appearance of an asteroid, something substantial and disruptive happened: namely, mobility.

The advent of Apple and Android tablets along with the migration from onpremise installation to cloud-based deployment for reporting and other capabilities and the growing need to accept new payment methods have been the main catalysts for rapid change in POS systems. During this period, the wellestablished players in most cases expanded — and, in some cases, reinvented — their offerings to include next-generation capabilities. Meanwhile, a flurry of new entrants introduced tablet-based POS systems tailored to meet the differing needs of various restaurant segments.

Could next generation POS systems really help restaurateurs achieve both of these objectives? The answer is a resounding "yes."

Let's face it: When it comes to any technology investment, restaurant owners and managers generally have two primary objectives in mind. The first is to streamline their business operations with the goal of increasing employee productivity and overall efficiency, resulting in greater cost savings. The second objective is to improve the guest experience, leading to increased customer satisfaction, loyalty, brand advocacy (e.g., positive word-of-mouth, including favorable guest reviews on popular social media review sites) – and, ultimately, increased growth and revenues.

Can next-generation POS systems really help restaurateurs achieve both these objectives? The answer is a resounding "yes."

Consider the efficiencies that are to be gained in table service restaurants when servers can place orders directly from a tablet to the kitchen printer or display monitor rather than from a stationary terminal that may be more than a few steps away and also bottlenecked by servers. Rather than waiting their turn to punch orders into a terminal, servers can spend that time interacting with guests and attending to other duties that would likely enhance their dining experience. Faster order placement and pay-at-table processing — as well as more payment options — can remove some of the most common barriers to customer satisfaction. Importantly, these capabilities can also enable a restaurant to turn tables considerably faster than before. And that can make a big difference in the amount of money coming through the door during the busiest times of the day.

The business case for next-generation POS systems is easy to make, given the myriad of benefits. In most cases, return on investment can be measured in terms of cost reduction, which is largely a function of increased staff productivity, and greater profitability, which is largely a function of improved customer satisfaction as well, in some cases, of faster table turn times. Of course, increasing margins by even a few percentage points can make all the difference in the world, given the economic constraints that are the reality of most restaurant operations. Other benefits such as data-driven loyalty programs, inventory and labor management tools and better performance reporting and forecasting should also translate into positive financial outcomes over time.

Increase revenue.

Increase profitability.

Reduce operating costs.

Reduce payment processing time.

Reduce food order placement time.

Improve staff productivity.

Improve customer satisfaction and loyalty.

Improve staff management and inventory controls.

Gain business intelligence.

Meet payment compliancy.

Research Data Point

What are the biggest benefits one can expect to gain with the right Restaurant POS System?

Improve customer satisfaction, loyalty and positive word of mouth

Improve staff productivity and streamline business operations

Meet new payment processing and compliancy requirements

Improve business intelligence and performance reporting

0   20   40   60   80   100
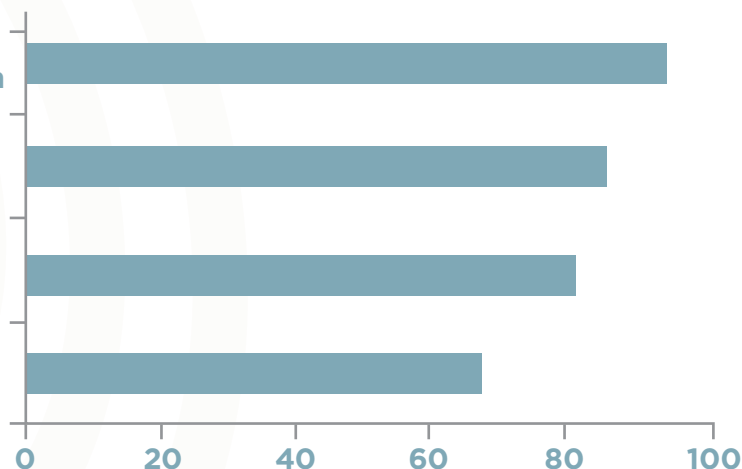
Research findings are derived from the Q1 2015 survey on Restaurant POS Systems.

> Many next generation POS systems, have built-in capabilities that make it possible to readily generate all types of actionable insights, oftentimes on an ad hoc basis.

From PCI to EMV (both of which are discussed in the next chapter) and from cloud POS reporting to integrated CRM capabilities, prospective buyers need to understand the important terminology and key concepts that sit at the heart of next-generation Restaurant POS Systems before embarking on the journey to upgrade their existing technologies — or, as the case may be, before making a first-time investment. Following is a look at just a few key concepts.

Cloud-based POS data intelligence and performance reporting

As is true with many other industries, the impact of the cloud has been enormous, providing restaurant owners and managers with anytime, anywhere access to restaurant activities, records and backend processes, across all store locations, from any device. This degree of visibility is unprecedented and it offers a whole new level of management control. Which dishes are the most popular? Which dishes are the least popular? Which are the most profitable? Which are the least profitable? Which servers are the most productive? Which are the least productive? Which types of customers are the most valuable? Which are the least valuable?

The answers to these and countless other questions generally reside somewhere in the POS data. In the past, restaurateurs who wanted to mine the data in an effort to extract meaningful information often faced a difficult and time-consuming challenge. Many next-generation POS systems, by contrast, have built-in capabilities that make it possible to readily generate all types of actionable insights, oftentimes on an ad hoc basis. This empowers restaurateurs. It gives them the information they need to make informed decisions about all aspects of their business operations. Some systems can even help to look into the future and predict financial outcomes based on such factors as dining-out trends and seasonal dish popularity. With some systems, alerts can be set based on predefined triggers.

> A customer database can serve as the basis for launching targeted promotional campaigns and building loyalty and rewards programs.

These alerts can notify a manager when inventory is running low and needs to be restocked, for example, or when high-cost or high-risk food items like liquor are going out the door unaccounted for, indicating the possibility of theft. In short, POS data intelligence, which goes by many names and generally encompasses multiple aspects of a restaurant's operations, is key to remaining competitive and driving continuous performance improvement.

Customer relationship management (CRM)

Utilizing CRM capabilities, restaurants can automatically capture and store guest contact information, including email and phone numbers, along with their food and drink order history. By applying segmentation schemes, and even augmenting the information with third-party data, restaurants can create a robust database of customer profiles. The database can serve as the basis for launching targeted promotional campaigns and building loyalty and rewards programs, the results of which can go a long way toward increasing customer loyalty, generating positive word of mouth — and, ultimately, increasing sales revenue.

Inventory Control

Some POS solution providers have also been innovating in the area of inventory management. The goal is to track inventory depletion in a real-time manner to help reduce food waste, monitor inventory levels and increase profitability. Some systems are able to track raw materials from the time the kitchen receives a shipment through ongoing ingredient usage based on menu item orders. Managers can automatically compare the variances between physical inventory and POS data to determine if there may be theft, for example, or portion measurement issues. Some solutions offer automatic purchase order generation based on par levels and minimum order quantities.

Many POS
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Employee Management

Restaurant POS Systems have made big strides in areas unrelated to "point of sale." A good example is employee management. Many POS systems now come with a host of integrated employee scheduling tools. Some systems even boast of financial management features designed to optimize labor utilization. These tools make it easy to not only perform basic tasks like tracking employee hours and submitting payroll directly from the system, but, in some cases, to also predict sales and staffing needs. Using datadriven sales forecasting and labor planning tools, managers can plan for the volume of business that is expected on a daily and hourly basis based on historic information and other factors. By accurately meeting labor targets, and also by understanding which servers are the most productive, restaurants can better control payroll costs and maximize workforce efficiency.

✦SM™ The 2015 Smart Decision Guide to Restaurant POS System
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CHAPTER 2
BUYING CONSIDERATIONS AND EVALUATION CHECKLIST

According to research conducted for this Smart Decision Guide, almost one quarter (23%) of restaurateurs who have not purchased a new Restaurant POS System within the past 3 years indicate that they plan to do so in the next 12 months. In selecting a new system, the buying considerations are sure to depend to a large extent on a restaurant's specific category and size as well as its differing strategic priorities. Full service restaurants may be most concerned with increasing staff efficiency and customer service. Quick service or fast casual restaurants, on the other hand, may be more focused on maximizing the number of guests they can serve during the busiest times of the day. For them, success generally means driving large volumes of people through the ordering and checkout line as quickly as possible. So, which features and functionalities matter most? Again, the answer to a large degree is: it depends.

Regardless of category, most restaurants also have certain requirements in common. All need to ensure secure payment processing, for example. That means abiding by EMV standards and being able to process chip and pin transactions — which, for many, was the impetus for upgrading, in the first place. As another example, managers across all restaurant categories need to be able to analyze POS data and gain insights into business performance.

This chapter includes descriptions of some of the key considerations buyers may want to keep in mind. Foremost among these considerations are ordering and payment capabilities, data security capabilities, and data analytics and performance reporting capabilities.

Reducing the need for servers to travel back and forth between tables and a stationary terminal to place orders and process payments can dramatically boost staff efficiency as well as table turn times.

Ordering and payment capabilities

Restaurants need to be able to accept not only major credit cards and cash, but also gift cards and mobile payment options, the use of which is beginning to skyrocket. Beyond secure payment processing, restaurateurs increasingly want to be able to accept payments as well as process orders directly at the table. Reducing or eliminating the need for servers to travel back and forth between tables and a stationary terminal to place orders and process payments can dramatically boost staff efficiency as well as table turn times. It can also help increase guest satisfaction since customers generally prefer tableside bill signing over waiting for paper checks and then waiting again for terminal credit card processing. As far as ordering, servers should be able to enter orders using any number of modifiers.

Systems with inventory control features in some cases provide dynamic menu monitoring, automatically counting down menu items, and even ingredients, that may be in short supply, eliminating the chance a server might take an order the kitchen is unable to fulfill. Most next-generation systems facilitate routine tasks like check-splitting by item or number of guests. Most offer preset tip percentage options, which even non-math-challenged guests can appreciate — and which also tends to work to the benefit of servers in terms of their earnings. Some systems include built-in distribution and server payout calculators, making it easy to split tips at the close of business. Others can send guests receipts electronically, via email or text message, which can also then be used to invite guests to opt into the loyalty and rewards program, helping to further build the customer database.

POS systems must be equipped to safeguard against risks of data breaches by complying with Payment Application Data Security Standards (PADSS) and Payment Card Industry Data Security Standards (PCIDSS).

Data Security Capabilities

Every restaurateur needs to know that the mountains of transaction data being collected by their POS system are wellprotected at all times. This means securely encrypting cardholder data the very instant a guest's magnetic strip is swiped or chip is read. And it means keeping that data encrypted until the transaction is actually processed. Some systems store data on cloud-based servers, others on on-premise servers. Either way, the systems must be equipped to safeguard against risks of data breaches by complying with Payment Application Data Security Standards (PA-DSS) and Payment Card Industry Data Security Standards (PCI-DSS). Some systems go so far as to monitor transmittal activity and send an alert if there is even the slightest suspicion of rogue access points.

In addition to safeguarding cardholder data against the possibility of outside theft, the systems need to also protect against the possibility of employee theft. One way is to automatically track all the cash that servers collect. Some systems offer "blind closeout" capabilities, requiring servers to reconcile all cash across all drawers at the end of each shift without them knowing the precise amount they are expected to collectively turn over. Besides ensuring employee accountability, this approach simplifies close-of-day tasks. As every restaurateur in the United States is well aware, chip-and-pin regulations go into effect this year. Unless restaurateurs are EMV compliant, they can be held liable for fraudulent charges. The good news: Compliancy protects against merchant liability, provides better fraud detection, and accommodates guest preferences as they increasingly shift to EMV-enabled payment options.

Some POS systems are now providing visibility and insights into all of the key drivers of restaurant performance, making the technology not just an operational necessity but also a strategic imperative.

Data analytics and performance reporting capabilities

To be able to make smart decisions and drive continuous business improvement, restaurateurs need easy access to POS data, and in a real-time manner. Beyond just accessing raw data, they need to be able to glean actionable insights into inventory, menus, customers, employees and any and all other operational and financial aspects of the business. With next-generation POS capabilities, real-time reporting on key performance indicators (KPIs) is becoming an automated process. At the same time, the reports themselves are becoming increasing comprehensive, intuitive and visually compelling. Some systems even include notification features – for example: "Alert me when voids are greater than 10% of sales." Reporting is also becoming increasingly flexible.

Some systems now enable managers to generate custom reports on practically any metrics, using any data sets the system is collecting. To be sure, every restaurant needs to track basic financial metrics such as net sales to be able to, for example, compare current performance to past performance. But how many track such metrics as average table turn rates, occupancy rates, guest spending or other metrics that impact revenue? Likely very few, simply because the data has not until now been available or easily accessible. Whether looking at menu item profitability, table seating configuration, server productivity or any other key performance indicator, restaurateurs should be able to make ad hoc queries and generate dashboards and reports from relevant data sets, over any given time period, to quickly get the answers they need. Having visibility into all of the key drivers of restaurant performance is not just an operational necessity but a strategic imperative.
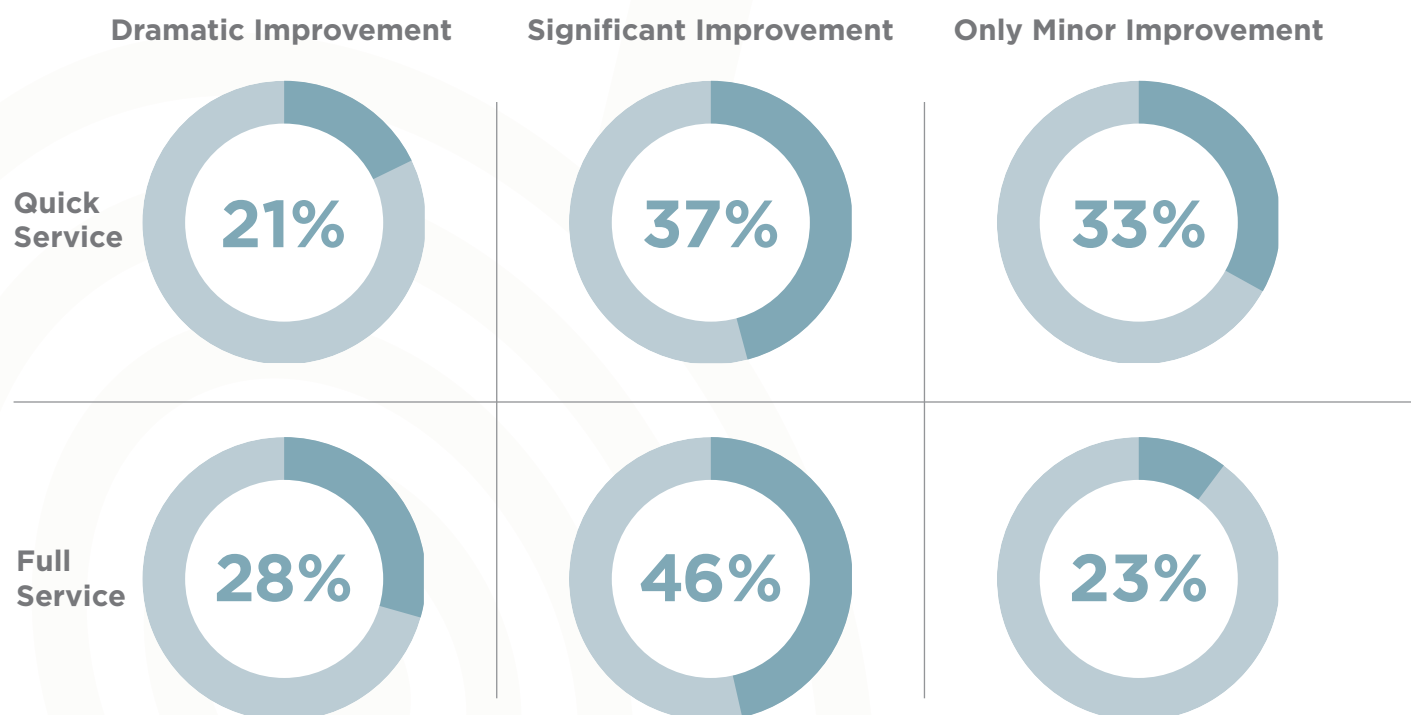
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Customization and flexibility

Be it fast food, fine dining or bar or café service, every restaurant has its own unique personality. Buyers may desire a significant degree of customization with their Restaurant POS System to reflect that personality. They may want to configure some screens in a way that may be somewhat unconventional. They may want to be able to generate non-standard reports. They may want to be able to integrate with third-party software modules and/or hardware components, such as existing kitchen video displays. Determining the degree to which a given system allows customization, as well as its relative constraints and limitations, based on the restaurant's anticipated needs can rank as a critical buying consideration.

Research Data Point

"To what extent has upgrading your POS system (within the past 3 years) enabled your restaurant to improve overall performance and business results?"

	Dramatic Improvement	**Significant Improvement**	**Only Minor Improvement**
Quick Service	21%	37%	33%
Full Service	28%	46%	23%

Quick service and fast casual restaurants
58% of respondents cite "significant" or "dramatic" improvement.

Only 9% cite no improvement.

Full-service restaurants
74% of respondents cite "significant" or "dramatic" improvement.

Only 3% cite no improvement.

Research findings are derived from the Q1 2015 survey on Restaurant POS Systems.

This Evaluation Checklist offers a framework for conducting an apples-to-apples comparison of Restaurant POS Systems using the buying considerations outlined previously. Other key considerations can be added based on individual buyer priorities. Relative weightings can be assigned on a scale of 1 ("This buying consideration has no bearing on our purchase decision") to 10 ("This buying consideration is a very important factor in our purchase decision").

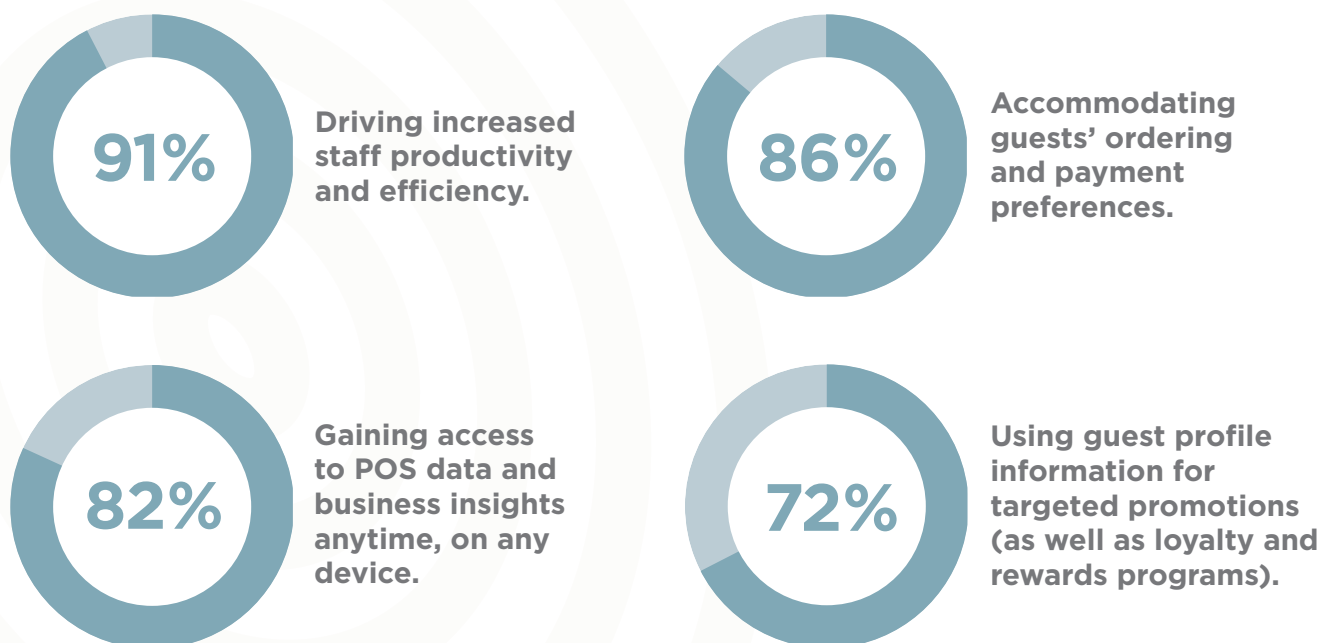| Buying Considerations	Weighting	Vendor 1	Vendor 2	Vendor 3
1. Ordering and payment capabilities				
2. Security compliance				
3. Performance reporting and analytics				
4. Type of hosting (cloud, on-premise or hybrid)				
5. Integration capabilities				
6. Customizability / user experience				
7. Setup, training and support				
8. Usability / client satisfaction				
9. Costs and expected ROI				
10. Overall features and functionality				
a. CRM, marketing and loyalty programs				
b. Inventory management				
c. Labor management				
d. Cash drawer management				
e. Table management				
f. Other _____				
Overall Rankings	N/A			

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CHAPTER 3
MUST-ASK QUESTIONS

With Restaurant POS Systems accounting for the largest portion of the budget for restaurant IT investments, there is no shortage of related solution providers vying for the attention of prospective buyers. By asking the right questions, buyers can quickly ruleout some options while narrowing down others. Just as the buying considerations are bound to vary depending on restaurant size and category, as well as the restaurateur's own strategic priorities, so, too, are the "must-ask questions," especially those that relate to specific features and functionality. A restaurateur who offers food delivery service, for example, may have specific questions about delivery dispatch and management features. Restaurateurs who wish to migrate to tableside service capabilities will likely have more questions about those features than ones who prefer to use centralized order and payment processing terminals. Similarly, restaurateurs who often work off-site or who manage multiple locations may be more interested than those who generally work on-site in asking about cloud-based reporting capabilities and remote access to, say, menu and table layout functions. Following are a few of the broader questions, equally applicable across all restaurants, that prospective buyers may wish to explore with solution providers.

Research Data Point

Percentages of restaurateurs who view each of the following success factors as "important" or "very important."

91% Driving increased staff productivity and efficiency.

86% Accommodating guests' ordering and payment preferences.

82% Gaining access to POS data and business insights anytime, on any device.

72% Using guest profile information for targeted promotions (as well as loyalty and rewards programs).

Research findings are derived from the Q1 2015 survey on Restaurant POS Systems.

Nobody wants
to implement a
Restaurant POS
System that
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expectations
due to known
shortcomings
in stability
and reliability.

What type of customer support is offered? Is there any extra cost? How quickly will questions be answered and problems be resolved? What, if any, employee training is included?

It is important to have a clear set of expectations around customer support and problem resolution as well as the training that may be needed to get servers and other employees up to speed on the new system. More than three-quarters (78%) of survey respondents agree that user training ranks as a key success factor in ensuring that a solution is utilized as effectively as possible. Does the solution provider (or a certified subcontractor) offer an online or, better yet, in-person training program? Is it equipped to offer online troubleshooting and diagnosis techniques should technical issues arise? Is local in-person service and support a possibility? Knowing that problems will get resolved fully and in a timely manner is critical and therefore worth asking about. Some solution providers will go so far as to guarantee response and case resolution times.

TIP: Make sure that resources will be available to address employee training needs and provide support and resolve issues in a timely manner.

What is the solution provider's track record for stability and reliability?

Reputation and customer satisfaction are important. Nobody wants to implement a Restaurant POS System that falls short of expectations due to known shortcomings in stability, reliability or promised benefits. While the solution provider need not have been in business for decades — and, in fact, many of the popular tablet-based POS players are relatively new entrants — it should nonetheless have a well-established roster of customers that can attest to the reliability and performance of the product.

TIP: Seek information about what performance issues may arise though conversations with existing clients, preferable ones in the same restaurant category.

Restaurateurs may have certain software configuration and customization needs that are specific to their restaurant operations.

Does the solution offer flexibility in functionality, including data access and reporting?

Restaurateurs may have certain software configuration and customization needs that are specific to their restaurant operations. As such, they may want to confirm that any solution providers under consideration can meet these needs and preferences. With respect to employee scheduling, for example, some managers may prefer to modify or create their own templates of work periods, if that option were to exist with a particular solution. Or, as another example, they may have a certain way of wanting to input menu modifiers. Most Restaurant POS Systems come equipped with a large number — in some cases, dozens — of standard dashboards and reports around operational and financial areas like sales and revenue, labor and inventory control that should meet most restaurateur's day-to-day performance management and analysis needs. That said, not all POS data queries and reporting requirements can necessarily be anticipated in advance or be addressed with out-of-the-box dashboards. For that reason, buyers may want to find out if customized reporting is possible and, if so, what is involved in the process of filtering and sorting data according to a specified set of parameters. With 82% of restaurateurs ranking the need to gain access to POS data and business insights anytime, on any device, as an "important" or "very important" success factor, it only stands to reason that they would also want to ensure that any solution under consideration is able to meet these expectations around POS data analysis and reporting.

TIP: Confirm that the solution is flexible in terms of keys areas of functionality, including custom report generation, and verify the solution provider's claims, if possible, by speaking with existing clients.

It is important to confirm which software features and modules, including future upgrades — as well as which hardware components, if any — are included in the price that is quoted.

What is the total cost of ownership? Are there any "hidden expenses"?

While hardware and software costs run gamut, as do the requirements of different restaurateurs, next-generation Restaurant POS Systems on the whole tend to be significantly less expensive and require less up-front investment than their predecessors. There are many reasons for the shift to increased affordability, including the fact that installation is generally less complex and hardware is generally less expensive compared to, say, a decade ago. With some systems, the POS data is stored in the cloud, reducing (or even eliminating) the need for on-premise servers. Incidentally, most cloud-based POS systems also use a subscription "pay as you go" model, which generally means no long-term contracts and no upfront capital investment for the software. This may be an important consideration, especially for smaller operations with a limited budget. In all cases, it is important to confirm which software features and modules, including future upgrades — as well as which hardware components, if any — are included in the base (recurring) price that is quoted so as to avoid any unpleasant surprises down the road.

TIP: Ascertain that all associated installation, licensing, maintenance and ongoing service and support fees are included in the pricing. Also, check that the solution comes with a warrantee to protect against hardware or software malfunction, what specific replacement or repair costs are covered, and over what period of time.

CHAPTER 4
ROADMAP AND RECOMMENDATIONS

With 74% of full-service restaurants, and 58% of quick service and fast casual restaurants, having cited "significant" or "dramatic" improvement in operations and revenue after deploying a next generation Restaurant POS System, it is no wonder that so many restaurateurs who have not yet upgraded are currently looking to jump on the bandwagon and reap the benefits. The Roadmap Diagram below offers a migration path to keep in mind when embarking on the journey. In many cases, of course, restaurateurs will already have a head start in terms of putting the data foundation and organizational processes in place. They are also likely to have a clear vision of what they aim to accomplish, with a specific set of performance metrics for tracking and measuring success.

Stationary terminals only for order and payment processing	→	**Mobile options for order and payment processing**
Credit card and cash only payment acceptance	→	**Chip-and-pin and mobile payment acceptance**
Rudimentary data analysis and performance reporting	→	**Robust and custom data analysis and performance reporting**
On-premise-only access to POS data and reporting	→	**Anytime, anywhere access to POS data and reporting**
POS separate from CRM, marketing and loyalty programs	→	**POS integrated into CRM, marketing and loyalty programs**
Emphasis on managing day-today restaurant operations	→	**Emphasis on driving performance improvement and revenue**

> The ability to capture and store individual guest information in a centralized data repository is quickly moving from a "nice-to-have" to "must-have" capability.

The proliferation of mobile devices and new payment options, access to evergrowing volumes of customer data, advances in analytic capabilities, and increases in processing power, along with changing user expectations, have all conspired to usher in a new era of Restaurant POS Systems. These systems have migrated from being little more than payment processing and ordering platforms to becoming the epicenter of day-to-day restaurant management and strategic decision-making. Following are a few recommendations to not only keep in mind along the evaluation-and-purchase journey but also once the new solution is up and running in order to maximize success.

Focus on building the customer database

Restaurants can capture an enormous amount of valuable customer information from POS transactions as well as additional interactions, such as surveys and rewards programs. By enhancing guest profiles with additional data and understanding customer commonalities by looking at psychographic makeup, and then creating useful segmentation schemes, restaurants can maximize the value of guest relationships. The goal is to provide carefully tailored services, communications and promotions while minimizing the cost of resources otherwise expended to build, maintain and increase the value of those relationships. Capturing and storing individual guest information in a centralized data repository, and acting upon that information to the benefit of both customers and the business, is quickly moving from a "nice-to-have" to a "must-have" capability.

A multi-location restaurant operation will likely want to purchase a system that provides multirestaurant management capabilities.

Know thyself

While every prospective buyer needs to ensure that any POS system under consideration covers all the basics around food ordering, secure payment processing, etc., every restaurant also has its own requirements and priorities in terms of features and functionality. A multi-location restaurant operation, for example, will probably want to purchase a system that features multi-restaurant management capabilities — with single sign-on, for example, and unified data analysis and performance reporting. Buyers should try to gain a clear understanding of their own requirements and priorities early on and weigh them accordingly (see the Evaluation Checklist in Chapter 2).

Check client references

This recommendation may seem obvious, but it nonetheless bears mentioning. No input may be more important to the buying decision than the perspectives that can be gleaned from existing clients, preferably restaurants that share commonalities in terms of size, typography and existing technology infrastructure. A solution provider may be willing to provide one or more client references. And some restaurateurs may be willing to share their experiences, including both the pros and cons. Written client testimonials and success stories can also be valuable resources.

Provide adequate training and practice

While tech-savvy managers, servers and other employees should be able to get up to speed on a new POS system relatively quickly, others may need some hand-holding. As discussed, it's important that the solution provider — or another resource, if necessary — is ready and willing to provide the requisite level of training support and that sufficient time is allotted for servers to become comfortable with using the new system before being set loose on paying customers.

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CHAPTER 5
INSIDE VOICES AND OUTSIDE VOICES

Restaurant owners, operators, managers, staff and others with first-hand experience with next-generation Restaurant POS Systems have a lot to say about the topic. Following are a few perspectives gleaned from individuals who participated in the survey that produced the research included in this Smart Decision Guide.

" Having access to real-time data and without even having to be on-site at the restaurant has been a real game changer for us. It's just great to be able to monitor activity at any location and access detailed financial reports anytime, on any device. Anyone looking to purchase a new POS should make sure it has cloud-based reporting. "

Owner | full-service restaurant

———————

" The right POS system will improve efficiency and increase revenue growth right away. That was our experience, anyway, once we upgraded. Customer satisfaction went upand so did turn rates, which means more money in our pocket. "

IT director | full-service restaurant

———————

" With our old POS, we had dissatisfied customers, frustrated employees and bad workflow and productivity. Replacing the technology has allowed our place to run a lot more efficiently. Faster speed of service and payment processing and better analysis has had a very positive impact on the business. "

Senior executive | fast casual restaurant

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" Adding mobile capabilities is important. So is dealing with security and new payment options. People are going to pay their bills with their watches. Still, I think just about all the vendors have checked those boxes. The biggest thing to look at now is the CRM and marketing stuff. Restaurants need to be able to segment their customer databases and deliver personalized promotions. "

Manager | full-service restaurant

Following are a few additional perspectives from industry observers, including trade magazine editors and research analysts, with insights into next-generation Restaurant POS Systems.

"Implementing or upgrading a POS system is a substantial investment. In addition to the upfront POS system cost, there will be recurring charges for other services provided by other business partners. It is best to confirm which party provides each service (e.g. credit card processing, time and attendance, or online ordering to name a few). You should have a clear understanding of fees for additional services such as staff training, upgrades, conversions and hardware and software support."

8 Essential Elements of POS System Ownership | National Restaurant Association

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"The restaurant industry is known for being very fastpaced. It should come as no surprise that management prioritizes organization and efficiency, and that these are the top priorities for restaurant managers seeking restaurant software."

Craig Borowski | Restaurant POS Software BuyerView | Software Advice

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"If your outdated POS system is restrictive and keeps your attention focused on operations and reports rather than out on the floor assisting employees and customers, it is a good time to start looking in to the options for you in the marketplace."

Ashley Ragland | Senior Editor | RMagazine

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"Here's what's top of mind for most hospitality operators: a POS that can enable restaurants to accept new mobile payment options, and that'll take the EMV migration in stride. In fact, both operators and suppliers agree that the ability to accept mobile wallet is having a significant impact on POS software purchasing decisions, closely followed by EMVreadiness and overall payment security."

Dorothy Creamer | POS Software Trend Report 2015 | Hospitality Technology

APPENDIX
RESEARCH NOTES AND UNDERWRITERS

In Q1 2015, Starfleet Media conducted an online survey, consisting of both multiple choice and open text questions, to capture the perspectives of industry practitioners with firsthand experience with Restaurant POS Systems. Some of the research findings are highlighted in this publication. Following is some basic information about the 147 qualified survey respondents who participated.
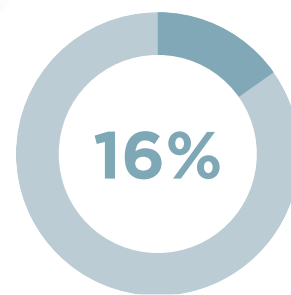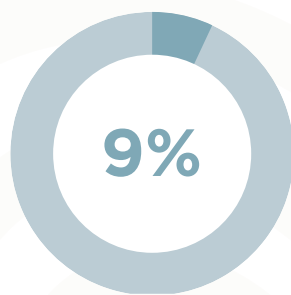
Job level / role of survey respondents
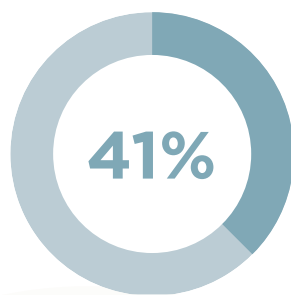
41%
Servers and other staff
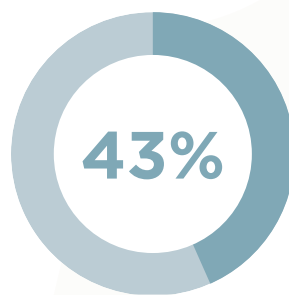
43%
Managers and other leadership

16%
Owners

Size / category of survey respondents' restaurant employers
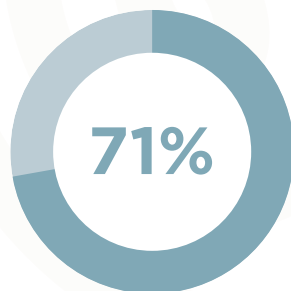
9%
Bars and nightclubs
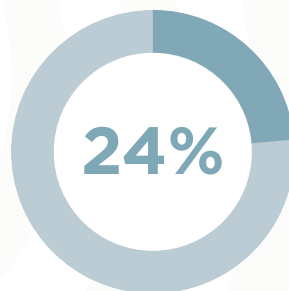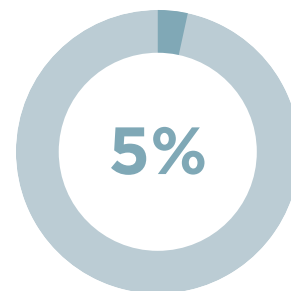
44%
Quick service and fast casual restaurants
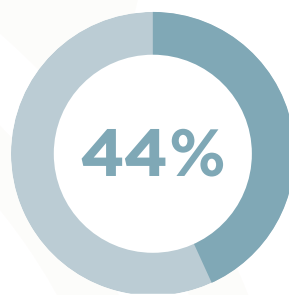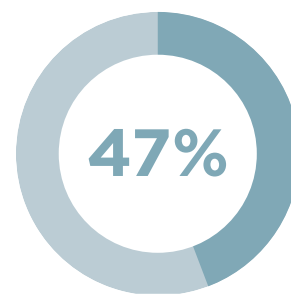
47%
Full-service restaurants

Geographic location of survey respondents

71%
North America

24%
Europe

5%
Other

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