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# Shopping for Computer Restaurant Management Systems

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**Abstract**

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by
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Today a wide variety of computer management systems is available to the restaurant owner or manager, ranging from modest single function programs that run on an inexpensive Apple or IBM micro-computer to dedicated mini-computers such as the NCR or Remanco systems. Any of these can enhance the profitability of a restaurant if used intelligently. Used unintelligently or installed improperly, any of them can do a lot of harm; no computer is capable of doing a manager's job for him. A good manager usually becomes better when he has a computer to help, but a poor manager can become a disaster when a computer enters the picture.

In a large, well-run operation, the installation of a computer restaurant management system can result in an immediate two or three point jump in profitability so that the system pays for itself in a few months. These are the cases that appear in the literature. More commonly, the improvements are gradual as people in an establishment learn to live with the new system.

In any good operation, the installation of a computer will free up more time for everyone: the manager to spend with his customers and plan his business, the servers to provide that all important personal touch that builds sales, the customer who otherwise might have waited longer for his table or his order.

And in any operation at all, the installation of a computer can eliminate confusion and hurry: confusion in accounts and inventories, confusion over guest checks, confusion over illegible orders going to the kitchen, confusion as servers make trips to the kitchen or bar to place orders.

At one end of the spectrum is the simple micro-computer tucked away in one corner of the office area. It might be a Apple II or an IBM-PC. On it, an owner might run a spreadsheet program such as VisiCalc or Lotus 1-2-3 to track inventory or do menu analysis. His total investment might be above $3000.

The next step up would be one of the specialized restaurant management programs to run on the same micro-computer. Such a system can do many of the back-of-the-house accounting functions that chew

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up much of a manager's time. The total investment might be as low as $5000 or as high as $20,000, depending upon the capabilities of the program purchased.

At the upper end of the spectrum would be the purchase of a dedicated computer such as the Remanco or NCR with its attendant point-of-sale terminals. At this level, the investment would be at least $40,000.

## Purchase Requires Careful Consideration

Whatever the level of investment, there are common factors to consider in buying a system. The first is that computer salesmen and software vendors have as their main objective the sale of a product to you — whether or not their product is entirely suited to your application. In general, the best way to find out whether or not you can use a system successfully is to talk to another restaurateurs who have installed the system. If it worked for them, it can — not necessarily will — work for you. Of course, there are new systems coming into the market all the time and someone has to be the first to buy them. If you are of the pioneering spirit, by all means take the chance. But remember the definition of a pioneer: He is the fellow with the arrow in his chest.

When buying any computer product, be extremely wary of demonstrations by experts — even impartial experts. A product can look easy-to-use in the hands of someone who knows it well, but it might still be a nightmare for the average user. Don't buy until you have operated the system and are convinced you can train your employees easily.

The matter of training is an important purchase consideration. Vendors of dedicated systems usually provide on-site representatives who will show you and your people how to use the system. In addition, they will have someone available to answer questions and help you with the inevitable start-up difficulties. Even so, there will come a time when you will have to train your new employees. It is wise to make sure that you can master the system yourself.

Less expensive computer systems consisting of a general purpose micro-computer and a restaurant program may leave you pretty much on your own. You will have to devote considerable time to learning how to use the program and will have to struggle with the details. It is wise to make sure that, at a minimum, there is a technical "hot-line" for the times when you have questions.

Bankruptcy can easily be the result if the transition from manual to computer systems is not managed properly. If the manager allows it to happen, there can come a time when the old manual systems no longer function, but the computer is not yet functioning properly. Then there will be a cash control, no functioning accounts payable, no invoice system. Contributing to the probability of failure of the business is its vulnerability during such chaos to the employee who might wish to steal or embezzle.

There are several rules for managing the transition:

• Keep all the old procedures working until the computer has demonstrated its capability of replacing them.

• Do not under any circumstances allow your records to escape your

physical control. The vendor who wishes to take your records "so they can be entered into the data base" should be directed to the nearest exit without delay.

- Start using the computer on a small scale and gradually expand its functions. Transfer one function at a time to the computer. Only when you have confidence that that one function is working should you go on to the next.

### Begin with the Dining Room

The logical start of operations is with the server who takes orders on a scratch pad and walks to a POS (point-of-sale terminal) located somewhere near, but not in, the dining area. This device has two parts: a keyboard for the entry of orders and other functions and a small printer for guest checks.

Printers are noisy, so you should plan to have POS server stations out of hearing range of the diners. Also, you may wish to plan the POS location so that several servers will share the same unit.

Keyboards are of two kinds. Both should be covered with a one-piece plastic sheet to prevent liquids from entering the device. On the first, the pre-set keyboard, the server presses a key marked with the menu item, for instance, with the words "flank steak." The second type is considerably smaller and has only a few numeric keys. On it the server types a code number which has been assigned to each menu item. The second type makes it easier to change menu items but requires that servers memorize, or be able to look up, the codes you have picked for menu items. Both types of keyboards should allow the entry of modified orders such as "steak, rare, with baked potato and sour cream," instead of merely "steak."

A POS at the server station can have other uses, including being used as a time clock to record when personnel start and leave work. This information automatically can go to a program which calculates payroll.

This unit, in conjunction with other parts of the system, can automatically tally the customer's check, add taxes, track credit charges and cash, record tips, and keep track of menu selections by server, time period, or department.

In the future, pocket-size, wireless data entry terminals will become available so that servers will not require scratch pads or fixed location POS devices.

### Kitchen and Cashier Require Planning

A printer or television-type display can be located in both the kitchen and bar. As soon as the server enters an order into the server station POS, the order will be printed for the chef or bartender or both, saving the server at least one trip to the kitchen or bar and eliminating the possibility of mis-reading an order.

A television display has the disadvantage that information scrolls upwards and disappears off the top of the screen as new orders come in from the servers. Therefore, you may prefer to have a printer in the kitchen so that chefs have a copy of the customer order.

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Kitchen smoke and moisture create a hostile environment for either a television display or a printer. If the kitchen unit has no special protection built into it, you will have to give thought to where in the kitchen it should be located to minimize environmental effects without disrupting work flow.

An additional feature might be a "server call" function that allows the chef to send a message to a particular server.

Some computer systems can offer restaurateurs the choice of eliminating the cashier entirely if that seems desirable. This is possible because sales are recorded throughout the day for each individual server. At the end of the shift the server POS can provide the charges accumulated against that server so that person can cash out with the manager. If this is done, additional time is saved in that the server has no need to deal with a cashier.

However, the point of computerization is to give restaurateurs a range of choices, not force them to change their modes of operation. Electronic cash registers may be installed at the cashier station and used to capture data at the time of transaction. This can be done instead of or in addition to server terminals.

### Manager's Equipment Is More Complex

Located in an area where only managerial personnel will have access will be the heart of the computer system, the CPU (central processing unit), and one or more disk drives which will store daily, weekly, and monthly business records in what could be called an "electronic file cabinet." It is absolutely essential that this part of the system be protected from anything or anyone who might accidentally or deliberately erase or damage the information stored. It is also essential that back-up copies of business data be made and stored in a separate place.

In practice, making back-up copies of business information should be simple. The information is recorded on magnetic tapes or disks. Your computer system should have a simple quick procedure which makes a copy, on magnetic tape or disk, which can be stored in another location. How often you choose to make back-up copies, whether daily or weekly, depends upon how much information you feel you can afford to lose and how well protected you feel your system is.

A feature available with some systems is battery power if the electricity goes off, since computers may lose important information or experience disastrous disk crashes when power is interrupted.

There may be other equipment which a manager needs but which normally does not require special protection. The first is a data entry terminal which is used to command the system in conjunction with one or two printers. If the system has word processing capability, one of the printers should be of letter quality. Such a printer can be used for correspondence and for printing menus. For routine documents such as cash reports and menu sales analysis, a much cheaper dot matrix printer is sufficient. Both types of printers use wider paper than the small printers located at the server or kitchen stations.

### System Has a Myriad of Functions

Payroll functions are available to automatically track hours worked

by each employee, calculate pay and tips, print payroll checks or stubs and W-2 forms, and print personal data. In addition, server peformance relative to number of covers and average check size can be obtained over any desired period of time. Labor cost reports which summarize total hours worked, total wages, average pay rates, and labor cost as a percent of sales for any selected period can also be printed.

Another useful managerial tool is the daily cash report which can provide sales summaries by category (food, liquor, etc.), by method of payment, or by time period. Information for deposit slips is readily available.

Menu analysis can provide a great deal of valuable information at any time. Total sales and gross margin for any menu item can be obtained for a day, week, year, or even a single meal. Menu explosions allow recipe costing and automatic inventory update; this last feature alone can pay for the computer system if it allows the detection of shrinkage of inventory and pinpoints causes such as inappropriate portion size or theft. Where kitchen and bar printers have been installed, you can be sure that no item is served unless it appears on a guest check.

General accounting functions such as general ledger, accounts payable, and weekly profit and loss statements may also be built into the overall restaurant management system. You may exercise tight control and accountability of exceptions such as voids, tax exemptions, or adjustments.

A last feature which is highly desirable is that of word processing with a mail merge capability which can be used to insert customer names and addresses from your mailing list into standard promotional letters.

Not all of the computer's features make a direct contribution to profitability, nor are they all necessary or even desirable for every restaurant. Each manager or owner has to make a decision as to what he wants and is willing to pay for. Each additional feature, although it may save time or money in the long run, imposes a burden because it adds another complexity to be mastered. A wise restaurateur may decide that although he is financially able to afford a full-feature system, he does not have the time to make it work for him.

For this reason, system hardware and software is offered in modules that can be installed at different times and places in the operation as a clear need is seen for them. If you adopt such a gradual approach, your computerization will be relatively painless and, perhaps, even profitable.