Tech Solutions for Busy Restaurants: Choosing a POS System

INSIDE: The point-of-sale system isn’t just for ringing up sales any longer. More and more, restaurants are using POS systems to control everything from inventory to scheduling. But with so many options on the market, the challenge operators face is determining exactly what they need in a POS system.
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About the sponsors

MICROS Systems Inc. is the world’s leading developer of enterprise applications serving the hospitality and specialty retail industries. MICROS serves table-service and quick-service restaurants, hotels, the leisure and entertainment industry and specialty retail stores, with complete information-management solutions including software, hardware, enterprise systems integration, consulting and support.

MICROS distributes its products through subsidiaries, independent dealers/distributors and company-owned sales and service offices around the world. This global network consists of more than 3,800 employees, 52 subsidiaries in major markets and 111 distributors in 45 countries.

The foodservice media division of NetWorld Alliance is a leading vertical restaurant publisher in the restaurant industry. Together with QSRWeb.com, FastCasual.com, PizzaMarketplace.com and accompanying print media Pizza Marketplace Report and Fast Casual magazine, NetWorld Alliance provides the foodservices industry with thought-provoking news and updates on the latest trends.

Published by NetWorld Alliance.
© 2009 www.networldalliance.com
Written by Richard Slawsky, contributing editor, Fast Casual
Photos courtesy MICROS Systems Inc.
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Introduction

It’s as simple as eliminating errors between employees and the kitchen. It’s as basic as making sure you charge for everything that’s served. It’s as liberating as knowing your end-of-day reports are just a few keystrokes away, and it’s as critical as making sure your customers are satisfied. The right POS system can help you manage and control all aspects of your business.

In this mini-guide, “Tech Solutions for Busy Restaurants: Choosing a POS System,” sponsored by point-of-sale system provider MICROS, we look at the reasons for investing in a POS system and what operators can expect for their investment.

The right POS system can help you manage and control all aspects of your business.
The right POS system can offer a variety of benefits to operators:

- By requesting order details, automatic prompts provide step-by-step guidance to the employee. This feature eliminates incorrect orders by ensuring that all critical information is captured (such as type of salad dressing) and relayed to the kitchen.

- Additional prompts can encourage upselling by servers.

- As an alternative to a keyboard, an easy-to-use POS touchscreen provides benefits such as reduction in training time and costs, and minimizing staff errors when entering orders.

- Handheld touchscreen terminals provide full service table-side. They’re ideal for taking orders in remote outlets such as patios and can maximize upselling.

Here’s a more detailed look at several advantages a POS system can bring your business.

**Control**

One of the key reasons for investing in a POS system is control. A POS system ensures that you charge for every item served and that nothing leaves the kitchen or bar without first getting posted to a customer’s check.

The ability to track guest checks ensures full accountability by employees and allows for almost every situation a customer may need, including split checks, discounts, tax-exemption coupons, promotions and loyalty programs.

**Loss prevention**

When cash registers were king and in-store surveillance consisted of a video camera that may or may not have been running, restaurant operators had little reinforcement when a questionable transaction took place.

“Many of the systems available today store data for more than a year. Depending on how they are set up, the system can calculate an average usage of a particular product over the last four weeks or even the last four weeks plus the same day last year.”

— David Straub, director of Industry Solutions/North America for MICROS Systems Inc.
But in the last 10 years, several technology breakthroughs have made it easy for operators to mind the store, and every transaction that takes place in it, from anywhere in the world.

Surveillance software and digital video recorders have been updated to integrate into a restaurant operator’s POS system, providing real-time transaction-monitoring capabilities.

“That really transformed the industry, because now you can search for a void or you can search for a $100 bill, and not only find the data of that transaction from the POS, you can also see the video,” Sam Naficy, cofounder of Los Angeles-based DTT Surveillance, told the editors of Fast Casual.

POS-integrated surveillance software can help operators track employee meals and any other transactions that take place in which the cash drawer is open but no money changes hands. The system also can help restaurant operators win the battle against dishonest customers or assist police if a theft occurs. Many companies have found that HR issues and insurance claims are also more easily handled with video surveillance.

Loss prevention and data analysis software tools, such as MICROS’ XBR Loss Prevention solution, easily identify, track and respond to unit events — everything from voids and employee meals to closed checks that were reopened. The software can identify trends associated with key performance indicators and automatically send alerts to investigators or other designated personnel.

**Service and communication**

In today’s restaurants, touchscreens and graphical user interfaces on POS systems have helped simplify order
Chapter 1 Benefits of a POS system

placement and boost order accuracy. Screen interfaces can be designed to walk an employee through the order process.

A customer can place an order by simply touching a menu item on the screen. If a customer orders individual items on a menu special, the POS system can automatically recalculate the cost of the items to the special price.

From a training standpoint, graphical systems are easier for employees to learn and can save valuable training time and dollars. The POS system can essentially walk the employee through the order-taking process, allowing orders to be modified with the touch of a button and allowing conversational ordering from the customer.

Graphical touchscreen systems also can overcome the limitations on menu revisions that are a hallmark of the early button-based systems.

“Old keyboard-based systems are generally hard to maintain because you have a limited amount of keyboard space, so if you have new items or new promotions, which happens quite often, you have to locate an unused spot on the keyboard,” said David Straub, director of Industry Solutions/North America for MICROS Systems Inc. “With today’s touchscreen environment, you have almost unlimited space. You just program a new window or pop-up screen and have it flowing directly to where it is needed.”

Combined with real-time kitchen display systems, POS terminals can shave minutes off the time it takes to prepare orders. As soon as an order is punched into the POS system, it pops up on a screen in the kitchen.

And unlike paper ticket printers, kitchen display system, or KDS, terminals can also communicate more than just the order to the kitchen. Orders for which customers have requested substitutions can be highlighted to help improve order accuracy, and display systems can show an enlarged view of a particular menu item. Combined with the fact that kitchen terminals can be used to display multimedia training information during slack periods, KDS systems earn their keep through shorter and more effective training as well as by cutting down on waste and improving customer satisfaction.

And the combination of computer and display technology has ushered in the use of digital signage technology. Digital signage has evolved from static or scrolling messages displayed on an LED screen to LCD display panels that offer schedulable, fully editable menus with full-motion video. The panels can be remotely controlled for instant updating in one or more locations using the Internet.
Along with displaying a menu, digital signage in a restaurant can serve a number of other functions. First, it can offer some entertainment value, and second, it can help the restaurant owner educate or inform customers about new products, special promotions and similar updates.

If an operator is running a promotional tie-in with a movie, screens in the dining room can play movie trailers. Dining-room signage also creates an opportunity for operators to strike promotional deals with vendors.

For example, a chain that serves a particular brand of soft drink could tell the beverage company, “We have this new system, and we want to sell advertising space to you as one of our strategic partners.” The operator could then create full-motion video of something like the soft drink being poured into a glass and play it in the dining room.

**Inventory control**

In the pre-POS days of restaurant management, handwritten prep sheets and manual inventory counts were used to predict usage for a particular day’s business. Food costs were calculated on a weekly basis, without timely awareness of how much food was being wasted or leaving through the back door.

“Management is seldom aware of the actual extent of losses or even the existence of theft,” said John Case, president of John Case & Associates, a security management consulting firm based in Del Mar, Calif.

Rather than wait until the end of the week to calculate food costs, managers can program menu-item costs into a food-cost-control software application, tied to the POS to keep a running tab on optimum food costs. The POS calculation, along with a physical spot-check of inventories, can quickly identify waste and theft.

Clear inventory information helps make purchasing requirements more accurate, rather than basing them on past experience, estimates or instincts.

A food and beverage inventory management program enables operators to reduce overall food costs, practice menu engineering and automate purchasing, receiving and inventory control processes.
Of all the cost components associated with back-office functions, inventory poses the greatest risk to an operator’s long-term success. Inventories require cash to produce adequate stock levels, fixed assets to store them and human capital to manage them. Even if a restaurant is successful, bloated inventories could mean that cash is declining.

Some food and beverage applications increase tasks for store managers, such as recipe management, and costs for owners, such as the costs associated with system implementation and training. An inventory solution should simplify store-level processes and optimize inventories by providing the necessary information to maintain stock in a cost-effective manner without becoming burdensome.

And by programming the recipe of menu ingredients into a specific POS software application or module, restaurant managers can forecast preparation needs on a minute-by-minute basis.

“Many of the systems available today store data for more than a year,” Straub said. “Depending on how they are set up, the system can calculate an average usage of a particular product over the last four weeks or even the last four weeks plus the same day last year.”

Systems can be programmed to alert managers when inventory levels aren’t sufficient to carry the operation until the next shipment arrives. POS systems can be set up to take over ordering chores completely. By programming in par values, orders can be automatically compiled and transmitted to vendors. The only action the restaurant manager needs to take is to assign someone to unload the truck.

**Labor management**

Time and attendance software includes all labor-tracking functions. It results in increased productivity and offers real-time access to all labor-related information, allowing you to make cost-saving labor decisions before it’s too late.

The training mode reduces management time invested in employee training, resulting in new employees who are more productive in less time.

Today, in most places punching a mechanical time clock has fallen by the wayside, as has sitting down at the end of the night with a stack of time cards, manually calculating the day’s labor percentage. The POS system has largely taken over those functions.

By entering employees’ pay rates into a labor-control software application, managers can pull up a minute-by-minute labor calculation. And the
scheduling application can help managers build schedules based on sales forecasts and predict labor costs based on those schedules.

“One advantage is that when a scheduling application is integrated with the POS system, you can get schedule enforcement, so with a manager’s approval employees who aren’t scheduled to work at a particular time can’t clock in or out unless they’ve been scheduled to,” Straub said. “This one feature alone can represent tens of thousands of dollars saved over the life of the system. Also, if you have minors working in your restaurant, which many quick-service operators do, the POS system can be a big help in complying with labor laws.”

POS-based scheduling applications can be programmed to alert managers to handle tasks such as scheduling breaks, keeping track of minors’ hours and controlling overtime.

And at the end of the pay period, many POS systems can transmit the store’s payroll information directly to the corporate office or a third-party payroll provider, significantly reducing administrative labor costs.

Another growing trend, Straub said, is biometric-based timekeeping solutions. Unlike passcards or PINs, biometric signatures can’t be lost or stolen.

Biometric technology has already gained widespread acceptance in government and the healthcare industry.

“We’re seeing a lot of benefit in biometrics, where an employee will have to use a thumbprint ID to sign in,” Straub said. “It’s another way to keep employees from clocking their friends in early.” In addition to the benefits for time and attendance by integrating this into the POS, it also keeps employees’ transactions secure.

**Training options**

Operators considering a POS purchase should look for a system offering a training mode that allows new employees to practice on the system. The training mode reduces management time invested in employee training and makes new employees productive in a short time.

Trimming the amount of time it takes to train an employee can save an operator a significant amount of money. If an operator offers a starting wage of $7 an hour, cutting out a day’s worth of unnecessary training can add more than $50 to the bottom line. Multiply that over
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the number of employees an operator hires over the course of a year, and the numbers add up quickly.

Transaction processing

Some quick-service chains are testing self-service kiosks located near the service counter, while pay-at-the-table options in table-service restaurants are gaining industry acceptance since they offer customers speed and the security of swiping their own credit or debit cards.

“Our research shows that more than half of consumers (53 percent) say they would be likely to use a pay-at-the-table option if it were offered in their favorite table-service restaurant, and three out of 10 operators see it as an increasingly popular trend,” said Annika Stensson, media relations director for the National Restaurant Association.

Operators considering a POS purchase need to consider these and other new technologies and how their existing system may incorporate those technologies. While online ordering has gained widespread acceptance, especially in the pizza business, emerging technologies include mobile ordering and RFID (radio-frequency identification), through which a customer pays for a purchase by waving a credit card or mobile phone near an RFID terminal.

Some systems provide loyalty or gift card integration as well, meaning that gift card and loyalty program transactions function in the same manner as credit card transactions; one of the quickest ways to sink a gift card program is to make a customer wait while a server or manager calls for an authorization.

The POS system also needs to be certified with the latest in payment card industry, or PCI, compliance. Nothing can kill a business quicker than discovering that customers’ credit card information was stolen by identity thieves traced to the business.

An integrated electronic credit card authorization provides electronic draft capture, or EDC, resulting in numerous benefits:

- Eliminates the need for separate credit card authorization terminals (and reduces the number of phone lines needed to support them).
- Makes every terminal a credit card authorization center for faster, easier server access.
- Eliminates manual fund reconciliation because register and credit card totals are automatically balanced.
- Consolidates daily transactions for
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- single-batch transmission to the bank.

- Yields cost-savings through reduced credit card fees.

**Back-office administration**

The right POS system reduces paperwork and provides easy access to information needed for planning, management, tax reporting, payroll, inventory control and other functions. Many systems can automatically generate on-screen reports offering a dizzying array of information, including:

- Revenue and menu item sales information by server, shift and outlet

- Totals for end of shift, end of day, end of week and more

- Credit card transaction totals by server and by outlet

User-defined reports can be easily integrated with back-office operations and integrated with third-party back-office software.

POS data is easily exported or imported into most third-party back-office software applications. That means you can take advantage of the information collected in the POS system for accounting, time and attendance, labor scheduling, food and beverage management and frequent diner programs.

POS systems can also include above-store reporting features. Until recently, multiunit supervision generally involved getting on the phone after a meal period and calling stores for a reading of sales so far that day. Today, the ability to keep track of multiple restaurants is as close as an Internet connection or a cellular device.

While in the past a multiunit manager typically handled only the number of stores he could visit over a period of a few days, today’s multiunit managers can handle 10 stores or more with ease. POS systems can now push data in near real-time to an Internet portal where the multiunit manager can see key performance indicators for each of the restaurants under his supervision.

Along with simply reporting sales, many POS systems feature above-store trend analysis and real-time alerts. For instance, if the system notices that speed of service at a particular restaurant is beginning to slip, it can alert a supervisor via mobile phone, and the supervisor can take immediate action to help the store manager solve the problem.

With multiunit reporting, the information in synchronized so all locations are reporting menu information identically, making comparisons more accurate and easier to analyze.
Chapter 2  
**POS system return on investment**

Because restaurants typically operate on razor-thin margins, one of the first questions an operator asks is how long it will take to see a return on investment. In this analysis, we look at a three-terminal system costing $25,000 to be installed in a restaurant with estimated annual sales of $1,000,000.

### Accounting return

The calculations below assume a 39 percent corporate tax rate and five-and-a-half-year capitalization period, using the Modified Accelerated Cost Recovery System, or MACRS. All state and local taxes are assumed as direct expenses and are not set up on the depreciation schedule here.

<table>
<thead>
<tr>
<th>Purchase price</th>
<th>$25,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax rate calculation</td>
<td>39%</td>
</tr>
</tbody>
</table>

**Depreciation tax savings**

MACRS rules for five-year class items, such as computers, call for depreciation using a five-and-a-half-year depreciation schedule, with the maximum deduction occurring in the first three years.

<table>
<thead>
<tr>
<th>Purchase price</th>
<th>% year</th>
<th>Depreciation expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>$25,000</td>
<td>1st year</td>
<td>20%</td>
</tr>
<tr>
<td>$25,000</td>
<td>2nd year</td>
<td>-32%</td>
</tr>
<tr>
<td>$25,000</td>
<td>3rd year</td>
<td>-19%</td>
</tr>
<tr>
<td>$25,000</td>
<td>4th year</td>
<td>-12%</td>
</tr>
<tr>
<td>$25,000</td>
<td>5th year</td>
<td>-12%</td>
</tr>
<tr>
<td>$25,000</td>
<td>6th year</td>
<td>-5%</td>
</tr>
</tbody>
</table>

**Cash recovery from depreciation tax savings**

<table>
<thead>
<tr>
<th>Year</th>
<th>Depreciation expense</th>
<th>Tax rate</th>
<th>Cash recovery</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>($5,000) X</td>
<td>-39%</td>
<td>= $1,950</td>
</tr>
<tr>
<td>Year 2</td>
<td>($8,000) X</td>
<td>-39%</td>
<td>= $3,120</td>
</tr>
<tr>
<td>Year 3</td>
<td>($4,750) X</td>
<td>-39%</td>
<td>= $1,853</td>
</tr>
<tr>
<td>Year 4</td>
<td>($3,000) X</td>
<td>-39%</td>
<td>= $1,170</td>
</tr>
<tr>
<td>Year 5</td>
<td>($3,000) X</td>
<td>-39%</td>
<td>= $1,170</td>
</tr>
<tr>
<td>Year 6</td>
<td>($1,250) X</td>
<td>-39%</td>
<td>= $488</td>
</tr>
</tbody>
</table>

**Total cash recovery from taxes:** $9,751  
**Total net investment per system after five years:** $15,249
Elimination of manual errors

Here’s a look at the return via the elimination of addition, tax, change computation and pricing errors by using a POS system. The industry standard based on guest check audits is regarded as 1 percent of restaurant sales volume. For this ROI, we use half of that 1 percent.

<table>
<thead>
<tr>
<th>Annual Sales</th>
<th>Factor</th>
<th>Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,000,000</td>
<td>@ 0.5%</td>
<td>Day</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$14</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Month</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$417</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Year</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$5,000</td>
</tr>
</tbody>
</table>

Total after five years: $25,000

Back-office operational return

Based on a current sales volume of $1,000,000 per year, the following yearly operational returns on investment would accrue:

**Table Seating — Increased Table Turns**

<table>
<thead>
<tr>
<th># of seats</th>
<th>Avg. seat utilization</th>
<th>Hrs. wait/wk.</th>
<th>Increase table turns</th>
<th>Meals/wk.</th>
</tr>
</thead>
<tbody>
<tr>
<td>100 X</td>
<td>80% X</td>
<td>1 X</td>
<td>5%</td>
<td>= 4</td>
</tr>
</tbody>
</table>

Extra meals/wk. Ticket avg. Weekly sales increase

| 4 X        | $7                    | = $28.00      |

Wkly sales increase 35% food cost Wkly profit increase

| $28.00 -   | $9.80                 | = $18.20      |

Wkly profit increase Open weeks/year Annual profit increase

| $18.20 X   | 51                    | = $928.20     |

Total after five years: $4,641
Speed of service

Let’s look at increased sales revenue due to overall improvements in speed of service, expediting of food and beverage orders due to the ability to monitor incentive programs.

For example, server contests are simple to monitor and can create additional sales. If a server contest resulted in the sale of one more $10 item per contest and the operation averages two contests per week, the increase would be $20 per week.

<table>
<thead>
<tr>
<th>Number of servers</th>
<th>Number of shifts</th>
<th>Items per server</th>
<th>Total items per day</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 X</td>
<td>2 X</td>
<td>0.5</td>
<td>= 6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Items per week</th>
<th>Item cost</th>
<th>Contests per week</th>
<th>Weekly sales increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>42 X</td>
<td>$3 X</td>
<td>1</td>
<td>= $126</td>
</tr>
</tbody>
</table>

Yearly sales increase: $6,552

After five years: $32,760

Decreased labor costs from better decision-making can be a result of having real-time status information on the overall operation.

For example, the ability to better monitor labor costs in a $1,000,000 operation at a labor cost of 28 percent can result in overall labor savings of .5 percent.

<table>
<thead>
<tr>
<th>Labor percentage</th>
<th>Annual sales</th>
<th>% savings</th>
<th>Annual savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>28% X</td>
<td>$1,000,000 X</td>
<td>0.50%</td>
<td>= $1,400</td>
</tr>
</tbody>
</table>

After five years: $7,000

Total after five years: $39,760
Beverage control

Increased beverage sales can be a result of beverage prompting on the system. For example, if the servers sold only a few extra drinks per day, with a 20 percent pouring cost (80 percent gross margin), the yearly savings would be as follows:

<table>
<thead>
<tr>
<th>Servers</th>
<th>Extra Drinks</th>
<th>Extra Drinks/Day</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 X</td>
<td>1</td>
<td>6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Drinks</th>
<th>Cost/drink</th>
<th>GM</th>
<th>Daily GM increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 X</td>
<td>$1.25 X</td>
<td>0.8</td>
<td>$6</td>
</tr>
</tbody>
</table>

Monthly $180
Yearly $2,160

Total after five years: $10,800

Punctuality control

Operators can realize decreased labor costs due to the ability to monitor and control the punctuality and work times of employees. In some newer POS systems, if the employee is not scheduled to come in until 10:30, she is not allowed to clock in early without management override. If she comes in late, she must get management approval to clock in late.

So, by saving just a few minutes a day on several employees, the following savings could be realized:

<table>
<thead>
<tr>
<th>Average salary</th>
<th>Employees</th>
<th>Hour savings</th>
<th>Daily savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>$6.55 X</td>
<td>4 X</td>
<td>0.1</td>
<td>= $3</td>
</tr>
</tbody>
</table>

Monthly $80
Yearly $956

Total after five years: $4,780
Chapter 2 POS system return on investment

Forecasting

By implementing scheduling and labor forecasting, the following savings could be realized:

<table>
<thead>
<tr>
<th>Labor</th>
<th>Hours/wk</th>
<th>Wks/yr</th>
<th>Rate</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5</td>
<td>52</td>
<td>$10</td>
<td>$2,600</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sales</th>
<th>Hours/wk</th>
<th>Wks/yr</th>
<th>Rate</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3</td>
<td>52</td>
<td>$10</td>
<td>$1,560</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Inventory</th>
<th>Hours/wk</th>
<th>Wks/yr</th>
<th>Rate</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2</td>
<td>52</td>
<td>$10</td>
<td>$1,040</td>
</tr>
</tbody>
</table>

Total after five years: $26,000

Labor management

Labor cost savings can result from detailed labor analysis of cover counts, hourly reporting and productivity by server. These factors — coupled with automated check issuing and tracking, speeding server and cashier checkout, automatic report consolidation and sales activity histories — create a substantial decrease in accounting and bookkeeping time.

The dollar savings will vary by location.

<table>
<thead>
<tr>
<th># of Hours</th>
<th>Hourly Rate</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$10</td>
<td>Daily $10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Monthly $300</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Yearly $3,650</td>
</tr>
</tbody>
</table>

Total after five years: $18,250
Inventory management

By implementing an inventory management system and realizing only a small savings in food cost, the following savings could be realized:

Possible areas of savings:

- Reduced food spoilage by proper ordering
- Reduced management time spent on ordering
- Reduced shortage
- Inventory on hand when needed
- Reduced theft by better control

Annual sales.........................$1,000,000
Food and beverage cost ......30%
Estimated cost reduction.......0.50%

<table>
<thead>
<tr>
<th>Old annual F&amp;B cost</th>
<th>New annual F&amp;B cost</th>
<th>Annual F&amp;B cost savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>$300,000</td>
<td>$295,000</td>
<td>= $5,000</td>
</tr>
</tbody>
</table>

Total after five years: $25,000
Chapter 2 POS system return on investment

**Kitchen display systems**

**Reduced expenses**

- Annual paper usage (.25 cases per month) $141
- Annual ribbon usage (3 ribbons per month) $108
- Annual maintenance (estimated) $140

Increased volume from better throughput of orders and reduced comped meals:

<table>
<thead>
<tr>
<th># of items per day</th>
<th>Avg. cost of entrée</th>
<th>Avg. food cost percentage</th>
<th>Total profit</th>
<th># of meal periods per year</th>
<th>Total additional profit per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$9</td>
<td>30%</td>
<td>$6.30</td>
<td>700</td>
<td>$4,410</td>
</tr>
</tbody>
</table>

**Labor savings from efficiency**

The increased labor efficiency comes from monitoring the trends in the restaurant from the kitchen and making decisions that will result in reduced labor cost.

<table>
<thead>
<tr>
<th># of hours per day</th>
<th># of employees</th>
<th>Avg. hourly rate of pay</th>
<th>Savings per day</th>
<th># of operating days per year</th>
<th>Total labor savings per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.25</td>
<td>4</td>
<td>$7.00</td>
<td>$7.00</td>
<td>364</td>
<td>$2,548</td>
</tr>
</tbody>
</table>

Estimated saving per year # of years

$7,347 X 5

Total after five years: **$36,735**
### Basic ROI calculation

This basic calculation of the return on investment for a POS system excludes the potential savings from such items as integrated credit card authorization and transaction analysis.

<table>
<thead>
<tr>
<th>Category</th>
<th>Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elimination of manual errors</td>
<td>$25,000</td>
</tr>
<tr>
<td>Back office operational return</td>
<td>$4,641</td>
</tr>
<tr>
<td>Speed of service</td>
<td>$39,760</td>
</tr>
<tr>
<td>Beverage control</td>
<td>$10,800</td>
</tr>
<tr>
<td>Punctuality control</td>
<td>$4,780</td>
</tr>
<tr>
<td>Forecasting</td>
<td>$26,000</td>
</tr>
<tr>
<td>Inventory management</td>
<td>$25,000</td>
</tr>
<tr>
<td>Kitchen display systems</td>
<td>$36,735</td>
</tr>
<tr>
<td><strong>Total pretax savings</strong></td>
<td><strong>$172,716</strong></td>
</tr>
</tbody>
</table>

Assuming a tax rate of 39 percent:

\[ 172,716 \times 0.39 = 67,359 \]

**Total after-tax savings**

\[ 172,716 - 67,359 = 105,357 \]

**Total net investment after 5 years**

\[ 15,249 \]

**Return on investment: .72 years**
Before you buy a point-of-sale system, it's important to examine the strengths and weaknesses of your operations, your current headaches and your own expectations of what a system can do. Here are some questions to help you get started.

**Questions to ask yourself**

**Do you have a problem?**

- How many customers leave each week because the wait is too long?
- If you are a table-service restaurant, is table management necessary?
- In quick-service, you may need handheld terminals for line busters or kiosks.
- How many orders go back to the kitchen because of errors?
- What is the average table turn in table-service or speed of service in quick-service? Is that good enough?
- How do you control guest checks? How do you know if one is missing?
- How do you know that you're charging for everything that is served?
- Do you manually audit employee time cards?
- Do you manually define food cost percentages?

**Can a new system help grow your business?**

- How do you review the sales by employee to know if they are upselling?
- How do you know if customers are loyal?
Chapter 3 What do you really need?

- Can you have customer-facing ordering through kiosk or online ordering?
- As your locations grow, does your provider offer above-store reporting?

How much time do you spend on the following?
- Managing inventory
- Compiling reports
- Managing staff
- Hiring and training staff
- Identifying theft and waste
- Reconciling credit card receipts

How would you like to be spending your time?
- Marketing to your customers
- Developing new promotions
- Experimenting with new menu items

Do you plan to add new locations, tables or services in the next three years?

Do you know what your staff members think about current operations? Do they have concerns about using a new system?

Once you’ve asked yourself these questions, make a prioritized list of the areas in which you need help, and establish a realistic budget for your POS purchase. Be sure to share your list and proposed budget with any potential POS supplier.

Once you’ve asked yourself these questions, make a prioritized list of the areas in which you need help. At the same time, establish a realistic budget for your POS purchase. Plan for one terminal per 30 to 40 seats, and budget approximately $5,000 per terminal, including hardware, software and support. Be sure to share your list and proposed budget with any POS supplier you talk to. It will help them help you.

Questions to ask potential POS suppliers

You and your POS supplier are embarking on a relationship. If your supplier is good, it will be a partnership that makes your life simpler and your operation more efficient and profitable. When looking for a POS supplier, ask these questions:
Chapter 3 What do you really need?

How long has the supplier been in business? Remember, your POS system has a long life ahead — up to seven years on average. Your best guarantee for long-term maintenance, technological updates and support for system expansion is the existing track record of your supplier’s sales and service organization.

Is the supplier a restaurant specialist? This is critical. It means the supplier can function as a consultant right from the start. An experienced supplier will be able to make recommendations on how to design and implement your system to make operations more efficient and increase customer satisfaction. The supplier will know how to get a system and staff up and running quickly.

Is the supplier committed to a long-term relationship? For best results, available services should include the following:

• Site survey and consultation
• Custom development of your POS database
• Installation of hardware and software

The POS purchasing process

1. Evaluate your situation and needs.

2. Invite the staff to make recommendations on how to improve the process.

3. Prioritize your requirements.

4. Identify major providers with local service and support operations.

5. Initiate discussions with suppliers about their capabilities.

6. Check supplier references and demo select systems.

7. Solicit proposals from no more than four suppliers. Serious proposals should include:
   • Total cost through implementation and initial training

8. Evaluate proposals and select a supplier.

9. Conduct final contract discussions.

10. Implement your system. Major steps include:
     • Site survey and preparation
     • Installation
     • Manager and staff training
     • On-site support as system goes live
     • Ongoing service
• Total systems integration service
• Staff training
• Ongoing telephone support
• Software maintenance and updates
• Parts, supplies and repair services

Is the supplier’s support and service operation local? If you need service during the peak of your rush, you want a supplier who can react quickly; 9-to-5 service may not be enough. Make sure your supplier can provide service 24 hours a day if you need it.

Can the supplier refer you to satisfied customers who have operations similar to yours? Call and ask how the POS system solved their problems. Be sure to ask about service response.

A good supplier can talk about the future. A good supplier knows what’s hot on the horizon — customer database marketing, integrated electronic payment options (debit, smart card and so forth), frequent diner programs and more. He can talk about how these capabilities might apply to your organization and can help you integrate them when the time is right.

A good supplier will offer you lots of options. One size does not fit all, so a good supplier will be able to show you a variety of ways to accomplish your objectives. She will offer a choice of systems with varying features, functions and price points.

A good supplier asks a lot of questions and listens carefully. A good supplier will want to understand the details of your operation before making recommendations.

Don’t be afraid to ask questions. A good supplier welcomes questions and should be able to give you answers you can understand. You are embarking on a partnership with your supplier, so you should feel comfortable working together.

Your final checklist

Make sure you’re getting the right tool for the job. Use the following list to evaluate any proposed system:

- Is the system easy to use and easy to learn? Is it designed to minimize training and cost time?
- Is there a training mode? Can it be used by more than one person at a time without slowing down other functions?
- Can software be customized to meet your operation’s specific needs now and in the future?
- Is the hardware rugged, unobtrusive and designed for a restaurant environment?
- Does it offer the flexibility of including
multiple remote requisition printers for automatic routing to proper stations (kitchen/bar) as well as a master ticket to the expediter?

- Does it reduce paperwork and save time by generating the reports you need in the format you want? Does it offer you the flexibility to customize reports?

- Does it consolidate all transactions at the end of the shift, end of day, end of quarter?

- Does it provide a detailed tip and transaction report for each server as well as the establishment? Is it designed to help you comply with IRS standards?

- Can it simply and properly track all transactions by server, including negative ones?

- Does it provide integrated credit card authorization and electronic draft capture?

- Does it provide maximum security by allowing you to limit access by employee and function?

- Are you protected from systemwide failure? Does the system have built-in redundancy so there’s no single point of failure?

- Does it fit your budget? (That doesn’t mean you should buy the cheapest system you can find.)

- Does the total cost include on-site start-up support for a smooth transition as your system goes live?

- Will the system grow with you? Does your support and service provider have a future focus — especially with regard to the use of technology in the hospitality industry? Can the system handle reporting and database requirements as you expand? Will it accommodate new applications and technological innovations as they are introduced?

- Does the system satisfy every requirement on your prioritized list?

The next step

Although there are many POS system choices in the marketplace, purchasing a system doesn’t have to be complicated.

The most important aspect of choosing a system is understanding exactly what the operator wants to control.

“What we ideally like to do is have an interview with the potential customer and go through what we call a needs analysis, or a survey of their needs, to understand what they are looking for,” said David Straub, director of Industry Solutions/North America for MICROS Systems Inc. “With today’s product offerings, even at MICROS, we have several different point-of-sale solutions that meet the needs of a particular restaurant operator. This interview...
process helps us select the right solution for our customer, based on their needs.”

The salesperson can help the operator decide what he needs not only from a hardware standpoint but also from a software standpoint.

Depending on the layout of the restaurant, the operator may need a piece of hardware at each counter or production station. Components can be added over time as the operation grows.

Once those decisions are made, the operator can choose the software he needs. Because POS software is modular in design, an operator can start with just a few applications and add other components to the system later.

“If you are just starting out as a restaurant owner or have a small quick-service operation, you may only need the POS terminal, and maybe you want to keep track of timekeeping,” Straub said. “Those are modules that a restaurant owner can purchase today, but later on he may want to add on labor scheduling; it is just a matter of activating that module in the system.”

We hope that “Tech Solutions for Busy Restaurants: Choosing a POS System” has been helpful in assisting you with a POS purchase. Should you need additional information, feel free to call a MICROS representative at 866-287-4736.
**Chapter 3 What do you really need?**

### The benefits of a POS system

<table>
<thead>
<tr>
<th>Without a POS system</th>
<th>With a POS system</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Guest's order detail governed by employee. Order mistakes occur.</td>
<td>• Guest's order detail governed by built-in forced modifiers or prompts. Order is entered completely.</td>
</tr>
<tr>
<td>• Handwritten checks may not be legible. Kitchen can misread.</td>
<td>• Remote printers or kitchen display systems deliver clear printed order to kitchen instantaneously after entered in POS.</td>
</tr>
<tr>
<td>• Uses post-check process where server totals check when requested. Some items served may be forgotten and not charged to check. Handwritten check may not be legible to the customer.</td>
<td>• Uses pre-check process so that check is begun by the system with first ordered item and every item served is charged for. Printed check provides clean customer presentation.</td>
</tr>
<tr>
<td>• At end of day, manager manually counts items sold to compare with existing inventory.</td>
<td>• System automatically tallies items as they are sold, providing complete inventory status in real time.</td>
</tr>
<tr>
<td>• Tips are tallied and reported by servers to management and need to be reconciled with credit card authorization terminals.</td>
<td>• System automatically calculates tips per server in compliance with tax regulation. Tip reports are available by server and in total.</td>
</tr>
<tr>
<td>• All checks must be manually closed or transferred at end of shift. Checks can fall through the cracks. Manual reconciliation is performed by manager or bookkeeper daily, weekly, quarterly and so forth.</td>
<td>• In order to sign out, the system requires an employee to account for every check. This captures revenue that would otherwise be lost.</td>
</tr>
<tr>
<td>• Manager or bookkeeper manually compiles time and attendance for employees and computes the worked hours for payroll processing.</td>
<td>• System automatically captures time and attendance information that can be downloaded to the back office or a third-party payroll service easily. This improves accuracy and saves labor.</td>
</tr>
<tr>
<td>• Credit card authorization involves swiping a card through a freestanding terminal, waiting for reply and manually attaching the separate credit card slip to the check. Server must sometimes wait if terminal is being used by another server.</td>
<td>• Integrated credit card authorization allows server to get approval and initiate printing of credit card voucher with a single swipe. This capability enables servers to use any terminal for credit card authorization. It reduces waiting time, eliminates the need for multiple phone lines and often earns discounts from credit card companies.</td>
</tr>
<tr>
<td>• Manager must manually reconcile total sales with credit card receipts.</td>
<td>• System automatically reconciles POS sales, tips and credit card totals, updating reports with every transaction. System consolidates daily credit card transactions for single batch transmission to the bank.</td>
</tr>
<tr>
<td>• Manager and/or bookkeeper prepare all accounting reports daily, weekly or quarterly as needed.</td>
<td>• System automatically captures information for scheduling, inventory management and accounting in reports customized for the operation. This information can then be downloaded to back-office software or transferred to third-party services for processing, resulting in improved accuracy and time savings.</td>
</tr>
</tbody>
</table>
A Mini-guide by Fast Casual | Tech Solutions for Busy Restaurants | Sponsored by MICROS

Chapter 4 Glossary of POS terms

Activity report: A management report that displays revenue, covers and other statistics for a predefined period — for example, hourly sales and labor reports.

Add-on tax: A form of tax computing whereby tax is added to the total of the sales transaction after the sale is recorded.

Add/transfer check: A function of POS operations that allows a user to transfer all the items and totals of a guest check to another employee. For the totals to be permanently assigned to the receiving employee, the employee must go into operations and accept or pick up that check. For example, Mary is getting ready to end her shift, but she still has guests who are ordering and appear as if they may stay a while longer. She may choose to ask Jane if she can transfer the check to her rather than ask the guests to pay this check and have Jane begin a new one.

Application Program Interface, or API: An interface that allows one program to communicate with another.

Auto cover count: Function of a POS system where the counting of guests is accomplished by the counting of predetermined menu items — for example, tracking total numbers of guests served for sales forecasting records, labor and operations efficiency and sales averages per guest.

Auto gratuity: Function of a POS system whereby a tip or service charge is automatically charged to a sales transaction, usually in the form of a percentage of the total sale amount. This function is normally performed by a manager or other person with a higher level of privileges but can be set to add a charge automatically when a check has reached a predetermined amount.

Automatic day changer: A feature of a POS system that automatically advances the date when the internal time clock passes a predetermined mark on a 24-hour clock. The internal clock must be running in a 24-hour format and not a 12-hour a.m./p.m. format for this feature to work.

Automatic Form Number Reader, or AFNR: An optical reader (scanner) that automatically identifies the sequential guest check number by reading the barcoded number on top of the physical guest check and provides this number to be processed in a machine-readable format. These devices usually scan the check for the last entry imprinted on it and automatically advance the check to the next empty line.

Autosequence: A batch command that generates a series of reports or responses in a POS system without continued user interaction. It can be
started by the user or set to activate at a given time on a 24-hour clock.

**Back office:** Administrative applications that support operations, including accounting, payroll and inventory management. Integration between POS and back office yields increased efficiency and reduced paperwork for management.

**Backup printer:** A secondary printer to which printing will be diverted in the event that communications with the primary printer are interrupted. Typical reasons for the diversion to a backup printer include paper outage, power outage, paper jam, printer offline and so forth.

**Banked server:** A server who handles transactions directly for customers without going through a cashier. A banked server settles with the house at the end of the shift.

**Begin check (transaction):** An operator opens a blank check for a new customer. When an operator begins a check, a record is created for it in the database’s open-check file, which will store all transaction activity for that check.

**Beverage control:** An automatic prompt asking the operator to enter beverages if an insufficient number of beverages have been ordered. It can be configured to count beverages alone or to compare the number of beverages to the number of guests.

**Block transfer:** A feature that allows one server to take ownership of some or all of the checks from another server.

**Canadian tax option:** A method of tax calculation in which all beverages are taxable, but food is only taxed once the total amount of food sales reaches a limit determined by multiplying the number of covers by the preset tax-free meal allowance.

**Cancel transaction:** A means of exiting from an open check without having any changes post to it. If this action is used, no sales are added to the check’s total, and no items are ordered from the production areas.

**Cash paid out:** Money dispersed from an establishment for deliveries or other services approved by the management. It can be tracked by use of a Cash Paid Out key at a terminal if money is removed from an employee’s drawer or via receipts if taken from petty cash.

**Cashier report:** An employee report that states recorded settlement transactions during a shift for an employee who tenders guest checks and banks revenue. Usually includes
bank amount, total sales, cash sales, credit sales, any discounts, service charges, charged tips or returns and cash-drop amount owed.

**Chain and fire:** A function of a POS system that allows an operator to ring up and service total a series of checks, link (chain) them together and send them to the production area (fire) as a single order. This is useful when guests at the same table want their checks to be rung up separately but would like all the food to be ready and delivered at the same time.

**Charge back:** A transaction that is challenged by either the cardholder or the merchant bank and is sent back through interchange for resolution.

**Clock in/out:** A function performed by an employee at the beginning and end of each shift that enables the establishment to track hours worked for payroll purposes.

**Close-day:** The end of the predetermined business day when all totals will be reset and any automatic reports will run.

**Closed check:** A check that has been tendered and has a remaining balance of zero; opposite of open check. The check is still held in the system’s memory but is no longer available for recall by the employee.

**Comp item:** A method of removing a particular menu item or group of items from a check so the customer will not pay that portion, but its retail price will still count as revenue. For example, a guest at Mary’s table did not like the French onion soup. The restaurant’s manager removes the item from the guest’s bill since she did not enjoy it. But because the food item was actually prepared, it needs to be accounted for in food cost and labor cost reports.

**Configuration:** The layout and connection of components within a system — for example, an establishment’s POS terminals and their cabling or the relationships between records in a database.

**Cost controls:** Procedures designed to reduce an establishment’s costs or to keep costs at a reasonable mark. Restaurants often employ a method called “portioning,” dividing a bulk item (such as large cans of hot fudge topping) into individual serving sizes for use (putting the fudge into multiple two-ounce storage containers, one for each hot fudge sundae).

**Digital menu boards:** Integrated multimedia-capable displays used to list menu items sold in the restaurant, often adding video and graphic images to enhance the marketing of items such
as combo meals, specials and local initiatives.

**E**

**Electronic Draft Capture, or EDC:** Automatic processing of credit card authorization through a processing network and consolidation of daily transactions for single batch transmission to the bank for fund settlement.

**Employee ID:** A private number assigned to employees for the purpose of uniquely identifying themselves to the system. Can be entered by the user with a keypad or can be read off a magnetic swipe card.

**F**

**Frequent diner program:** Discounts and incentives offered as rewards to loyal repeat customers. Purchases can be tracked through a POS system, which also gives easy access to information on buying habits for target marketing and promotions.

**G**

**Global access:** Allows a change or update in a POS system to affect all terminal locations simultaneously. Also, a security level setting that allows a user to have access to all levels of a POS system and perform all available functions.

**Guest count:** Guest count is the number of customers served (at a table, on a guest check, by an employee, during a shift, for a given day or week and so forth). This is a fundamental statistic used to diagnose the health of the business. Beyond indicating how many customers were served on a given night, a POS system can measure what time customers came in, how long they stayed (turnover) and most important, the average purchase amount.

**H**

**Historical data:** Recorded transactions and information that is held in the database for a predetermined period. This information is available for recall.

**I**

**Interface Script Language, or ISL:** This allows a programmer to customize the way a POS system operates.

**K**

**Kitchen display system, or KDS:** A standard VGA or LCD display used in production areas and expediter stations to display menu items, prep instructions.
or speed of service objectives for a restaurant. Kitchen display systems often replace remote kitchen printers and offer additional benefits such as training stations and visual alerts to restaurant managers.

**Local printer:** The printing device that is physically connected to (and usually physically located adjacent to) the user workstation; opposite of remote printer.

**Magnetic stripe reader:** An input device that reads information from a magnetic strip such as those found on credit cards, debit cards and employee identification cards.

**Manager functions:** Functions in operations that hold a high level of security and are therefore restricted from use by a lower-level-access employee — for example, deleting and comping items off guest checks, redirecting printers, changing an employee’s clock-in or clock-out time and so forth.

**Marketing clients and waitlist:** A multimedia-capable display integrated with a POS system to display local marketing events or restaurant specials to customers waiting to be served. In addition, these clients’ names can be integrated to waitlist applications to display names of customers waiting to be seated.

**Menu engineering:** Using the information gathered from a POS system and inventory management to compose a mix of menu items for maximum variety, price and profit.

**Non-revenue service charge:** Records the payment of funds without posting the payment to sale total. A non-revenue service charge may be used to record a deposit for a banquet.

**Numeric Look-Up, or NLU:** A means by which a user can post menu items by entering the number assigned to that item in the database. Used commonly with wines when a restaurant offers a large variety.

**Open check:** A guest check that is currently in the system and available to post menu items to; opposite of closed check.

**Open item:** A menu item or modifier not generally for sale or not generally associated with a particular menu item for which there would be an extra charge. The user can choose open item, type in the item desired and then assign a price for that item. This function is usually restricted and accessible only by those with a higher level of access. For example, if a guest orders the steamed...
vegetable plate but would like some cheese melted over it, “open item” lets the cooks know to add the cheese and the server know to charge an additional 50 cents.

**Order device:** A peripheral device such as a printer that is physically located where orders are made. When an order is rung, it prints out at this location to let the individual responsible for it know what needs to be made. It could be a bar printer, a broil printer and so forth.

**Original Equipment Manufacturer, or OEM:** A company that makes equipment such as computers as opposed to one that sells equipment made by other companies.

**Outlet:** A specific area of a restaurant or hotel — such as a bar or patio — that acts as an independent sales generator or revenue center.

**Par levels:** The amount of any given inventory item that should be on hand at all times. Sometimes referred to as a “build-to” for ordering purposes. For example, if there are five watermelons on the shelf on Friday and the par is six, the manager will order one watermelon for tomorrow’s delivery.

**Periodic inventory:** Usually only performed twice a month, a periodic inventory requires the manager to count what is on the shelves to see what is in inventory. Menu items are not subtracted from this count at the time they are rung up. The manager balances the total by counting and figuring a relationship based on what he had at the last inventory, plus what he purchased, minus what he has now.

**Perpetual inventory:** Inventory that has been set up in a database to subtract recipe ingredients from the inventory each time a menu item is rung, thus giving the manager a running count of what she should have left on the shelves. For example, if a server orders a chicken sandwich, the computer will subtract one hamburger bun, one chicken breast, one ounce of onion, one leaf of lettuce and one ounce of tomato from the inventory and will total what should be left on the shelves.

**Point of sale, or POS:** A computer system used to post and track payments for menu items. POS operations is an application of the POS software that makes it possible for the employee to make these transactions. (POS does not refer to the physical location where the sale takes place.)

**Point-of-sale terminal:** The computer that the POS software runs on and where transactions are carried out.

**Pop-up screen:** A screen that has been programmed to automatically appear when a particular button or icon
Chapter 4 Glossary of POS terms

has been selected. Once a selection has been made from the pop-up, it automatically disappears and is replaced by another screen; opposite of stay-down screen.

**Prep instructions:** Instructions to the kitchen or bar that indicate special requests by the customer. It is also used to communicate required information to the kitchen (such as salad dressing preference or ice cream flavor).

**Previous balance:** The subtotal already on the check before a new round is added.

**Previous round:** A service round that occurred before the most recent service total. By the time the customer is on dessert, the check may include several previous rounds (e.g., drinks, appetizers and entrees) with a service total occurring after each. A previous round includes all of the things that were posted during that round (menu items, discounts, service charges, tender/media).

**Privileges:** A control function of a computer system by which employees are assigned certain functions that are available to them, while other functions may be restricted.

**Receipt printer:** A receipt printer generates a customer receipt instead of a guest check. While a guest check printer can be a slip or roll printer, a receipt printer is usually a roll printer.

**Redundancy:** As related to a POS system, this means that a server can post items to a guest check at one terminal, log off, go to another terminal and open that same check, with the new items showing up at that terminal as well.

**Remote printer:** A printer usually located in prep areas, such as the hot prep area, cold prep area or bar.

**Requisition printer:** Part of a POS system, a stand-alone remote printer usually located in the kitchen or service bar area. Orders entered in the POS system are printed on a requisition printer to trigger preparation.

**Slip printer:** A type of printer that requires the user to insert a card into the slot before pressing a service totaling button. The printer will “grab” the card and move it upward as it prints on it. Once printing has been completed, the printer will release the card, and the user can remove it. A special device in the printer allows it to read a card when inserted and find the next blank line to begin printing on; opposite of a roll printer.

**Split check:** A function that allows an operator to move menu items
from one guest check to another. For example, Mary neglected to ask the two gentlemen at her table if they would like separate checks. They have now requested their bill and informed Mary that they would like to pay separately. Mary uses the split check function to move individual menu items from her original check onto a new check, thus creating two checks to be presented to the guests.

**Split tender:** Allows a check to be tendered to two or more combinations of media (such as cash, credit cards, traveler’s checks). For example, Mary presents a check for $40 to a table of two women. The women intend to pay for their bill separately, so one puts down $20, and the other asks that the remaining balance be charged to her credit card.

**Stay-down screen:** A screen that must be closed by the user. Rather than automatically being replaced by another screen once a selection has been made, with this type of screen, the user may make as many selections from it as desired, and then must choose a Close or Done command to move to the next screen; opposite of a pop-up screen.

**Suspend and resume:** Allows an employee to store the current transaction in the system’s memory without service totaling the check so another employee can use the workstation. When the employee who suspended the check signs in again, the suspended check is automatically resumed. This function is similar to the hold/fire function, but it does not send output to remote devices.

**Thermal printer:** A roll printer that uses a laser to print on heat-sensitive paper.

**Touchscreen:** A computer monitor equipped with a special screen that allows the user to select buttons and icons by pushing directly on the screen as opposed to using a mouse or touchpad.

**Training mode:** Allows an employee to begin, modify and tender checks without actually posting any sales to system totals or ordering any menu items to be made. The system can be programmed to track training totals separately, in order to track employee practice sessions.

**Transaction:** A set of actions performed as part of one sequence. In the instance of a guest check, it refers to each action performed to alter the check from the point at which the check is begun to the point at which it is service totaled or tendered.

**Transaction log:** The transaction log keeps a record of all transactions that occurred in a POS system for that business day.
Chapter 4 Glossary of POS terms

**U**

**Upselling**: Encouraging customer purchases of high-profit items such as appetizers, desserts and beverages. Upselling prompts can be incorporated into a POS system.

**V**

**Void item**: A method of correcting an error made during a sales transaction, usually used to remove items from a guest’s check that have been ordered but not yet prepared or used to correct errors. Voiding also removes any posted tracking totals for that particular menu item and reverses depletion from inventory.

**W**

**Workstation**: In a restaurant atmosphere, the terminal where employees carry out transactions, such as clocking in or ringing sales.

**Z**

**Zero-payment transactions**: Transactions that are closed with a balance due of zero.