

# Foodservice

Tech Advisor

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Special Issue

## Technology In Turbulent Times

### Editor's Note:



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This week we offer you the second part of our **Special Issue—Technology In Turbulent Times**, which focuses on how the restaurant industry is using technology to get through the global economic downturn.

For this issue we asked vendors and operators from the Foodservice sector to tell us:

### HOW ARE YOU, OR YOUR CUSTOMERS, USING TECHNOLOGY TO GET THROUGH THESE TOUGH TIMES, AND WHAT RESULTS HAVE BEEN SEEN?

Inside we feature a comprehensive cross-section of vendors who discuss how their products are helping restaurant clients, with some saying their business is booming as a direct response to the economic downturn.

*'We expect to grow, along with most of our customers, out of the recession.'*  
John Dumbrille,  
MonkeyMedia Software

We also feature restaurant operators who are leveraging new or existing technology to survive the crisis in the industry, looking at how their success can be measured and what results have been seen. Again, we would like to **THANK YOU ALL** for your time and efforts.

*'Now more than ever restaurateurs are making sure that all their purchases offer excellent value for money, and that they will help them run their business more efficiently.'*  
Kevin Coetzee, TISSL

So which technologies are producing these results?

Our research shows that operators are tapping into: Business Intelligence (with real-time, targeted reporting),

POS, F&B Management, Labor Management, Back Office software, Kitchen Automation, SCM, Centralized Call Centers, and Online/Mobile Ordering.

To finish off, we wouldn't forget to include our customary news and trends from around the world, including some best practice ideas from our group of consultants.

Our next issue will look at upcoming trends to watch out for in 2009, and what vendors have planned in the year ahead. Happy Holidays from all of us at Accuvia!



Send in your news for our next FTA:

### Drive Thru Systems



# The Nitty Gritty

As we researched this week's topic and reached out to you all for feedback and responses, it came to light that **Technology In Turbulent Times** is one of our most popular topics to date.

A great deal of you feel they have something to say on this matter, and we are glad that you did – it has enabled us to amass insight and information from a range of restaurant software vendors, and from single-unit, independent restaurants up to multi-concept, global corporations.

Below is a summary of our findings, focusing on how restaurant operators are leveraging new or existing technology to survive the crisis in the industry, how vendors are benefiting their restaurant clients with proven results, and why some technology providers are experiencing a boom as a direct response of the current downturn.

## WHAT THE OPERATORS ARE DOING

At **Cameron Mitchell Restaurants**, AccuBar has helped lower beverage and inventory costs and increase managerial efficiency. The chain's inventory and ordering process can now be up to 70% faster.

**Maguire's Bar & Grill** needed a turnkey POS system that could handle special requests, integrate with other vendors and allow for real-time remote management. Now deployed, ASI's Restaurant Manager has created:

- 18.5% increase in sales
- 10%+ increase in table turns
- 15%+ reduction in wrong orders sent to the kitchen
- \$6000+ savings resulting from use of reports to revise prep specs
- Improved special order handling
- Additional revenue generation from gift card sales

**Gordon Biersch Brewery** launched HotSchedules' Enterprise Labor Management to reduce labor and increase communications. Robert Werk, CEO, can 'already see results, and can now write tighter schedules with more oversight, and yielding lower labor costs.

**Energy Kitchen** sought a way to operate more efficiently and eliminate waste, and knew this would have to be via technology. **Managed Data Group's** dinePoint offers usable information to help food preparation planning and staff scheduling, which has significantly reduced costs.

**Panera Bread** is using a weather application on its

intranet that links a cafe's historic local weather to the store's historic sales, enabling sales forecasts based on weather that help with staffing and food ordering.

Since installing **QSR Automations's** CSK, Islands Restaurants has seen a 15% reduction in ticket times and problem pays, and improved guest & employee satisfaction, which is the reason why **Claim Jumper** opted for QSR's integrated table management solution. Since doing so they are providing much more accurate wait times.

*QSR's ConnectSmart Hostess*



Since installing **Restaurant Magic's** Data Central, **The Melting Pot** can make intelligent purchasing decisions with greater accuracy. Data Central handles menu changes and LTOs with ease and has virtually eliminated obsolete inventory and associated losses. The application has benefited Melting Pot's marketing, purchasing, finance and operations departments .

**Luca's Jersey Pizza & Pasta** leveraged their **Revention** POS System to boost sales when sharp declines were seen following closure of a nearby factory.

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## WHAT THE VENDORS ARE SAYING

**Assal Corporation** has found that their customers are using many of the modules within the InTouchPOS system to help them cut labor and food costs, and bring in repeat and new customers.



*Assal's InTouchPOS*

**Azbar** advises that now is a good time to turn to solutions that can help protect the bottom line.

*Azbar's bar management system*



**CrunchTime!** stresses the importance of aggressively managed costs, intense analysis of menu mix & composition, and seamless integration of information systems to eliminate moving parts.

**Decision Logic** believes its business is booming due to its 100% success rate in creating additional bottom line profit for restaurant clients living through 'the perfect storm' that is today's restaurant industry.

**FSMAX** forecasted their software sales to increase by 12% in 2008 but by October, sales were 43% higher than 2007.

Our survey suggests that operators are mainly using, or at least seeking technology, in order to:

- ◇ IMPROVE MANAGERIAL AND OPERATIONAL EFFICIENCY
- ◇ INCREASE SALES & PROFITS
- ◇ IMPROVE STAFF SCHEDULING
- ◇ LOWER F&B , LABOR AND INVENTORY COSTS
- ◇ IMPROVE GUEST AND EMPLOYEE SATISFACTION
- ◇ IMPROVE SPECIAL ORDER HANDLING
- ◇ GET VALUE FOR MONEY FROM IT INVESTMENT

**iTradeNetwork** thinks one of main operator concerns is how to squeeze cost out of the supply chain. The company can help its clients perform a complete spend audit to enforce price and purchase compliance and optimize LTOs.

**Jera Concepts** suggest that all programs should interact with each other, and that operators are demanding suppliers work together. Jera Concepts has seen its client base double as operators search for ways to reduce costs.

**LeanPath** says major foodservice operators are seeing that food waste tracking reduces costs and enhances sustainability.

**MonkeyMedia** thinks downturns are times for reassessment and reinvestment, and as a company they plan to grow from the recession. MonkeyMedia software simplifies, streamlines and automates catering businesses with real-time visibility.

**QSR Automations** thinks good operators constantly seek out and rely on technologies to maximize efficiencies and guest satisfaction, but when times are tough, operations and service are scrutinized and solutions need to be failsafe.

**Restaurant Magic** helps businesses extract the full value from their information and helps them increase margins and make better decisions using targeted, real-time reporting. For them, technology needs to drive efficiency. Restaurant Magic sees a currently 'fluid' restaurant climate, with segments sometimes trending in opposite directions; they see that the consumer is changing, as are operators' technology buying habits.

For one customer of **Restaurant Technology Inc.'s RTIconnect**, managers' time has been saved, reporting has improved and the need for an IT position has been eliminated.

**Revention** thinks it is crucial at this time for operators to take advantage of, and be creative with, existing POS tools, and advises targeted marketing campaigns from the POS to attract existing and potential customers.

**TISSL** notes how operators increasingly demand cost-effective technology that can help run their businesses more efficiently. October 2008 was a record month for TISSL in terms of completed installations.



*TISSL's Handheld product*

# What The Vendors Are Saying

## Decision Logic



Nebraska-based **Decision Logic** provides Enterprise Management solutions to multi-unit, multi-concept restaurant operators in North America. Todd R. Cripe, Director of Sales & Marketing, says their business has spiked 'as a result of the "perfect storm" that is today's restaurant industry'.

Cripe believes the reason for the spike is pretty simple. Decision Logic has a 100% success rate in creating additional bottom line profit for their customers.

'With product and labor costs at an all time high, reduced customer counts, and money supplies tight, the minimum .5 percent of net sales in bottom line profits that Decision

Logic generates for every one of our clients has become very important,' he states.

Another industry-related phenomenon the company is seeing is lack of available funds. 'There's not much out there,' says Cripe, and requirements for borrowing money are much more stringent than eighteen months ago. What's important now is that lenders are looking at how operators can pay back their loans, adds Cripe, when many have gone out of business through inability to pay back debts.

Decision Logic can help operators face this problem because it is good at generating

increasing profits - which is the primary factor why their business is booming. 'People presumed no one would invest in new technology,' says Cripe, 'but over the last twelve months we have seen 75% of new business coming from clients who own and franchise restaurants, which is where there are the most issues.' Cripe thinks franchisees leverage the technology that the franchisor puts in. 'It's in franchisors' best interests to make sure franchisees make better profits through improved decision-making,' he says.

Cripe then mentions the **Restaurant Finance & Development Conference**, held last month in Las Vegas, of which Decision Logic is a primary sponsor.

## QSR Automations, Inc.



**QSR Automations** provides the restaurant industry with their [ConnectSmart Hospitality Automation Solution](#) and their [ePic Kitchen Management Solution](#). QSR's products focus on and capture all activities around the guest, to increase efficiency and quality.

Dan Linker, VP of Product Development for QSR, feels the best hospitality businesses constantly seek out and rely on technologies to maximize efficiencies and guest satisfaction. 'The difference during harder economic times is that operations and

service are truly under a microscope - there is no room to try something that may not work,' he says. 'When every restaurant of every concept is competing for less guests - who are also wanting more for less - the restaurant's last bad impression may simply be its last opportunity with that guest.'

Linker says that while kitchen automation may be a behind-the-scenes hero, more than ever, an inefficient kitchen operation simply will not do. Restaurants that are using a QSR kitchen automation solution report significant

reductions in ticket times for faster table turns, increased kitchen capacity for increased store sales, and happier employees. They can also make the best use of their labor; because the system now manages the timing of food, which also protects food quality.

According to Linker, many restaurants are also taking advantage of QSR's table management solutions - including seating and wait list, reservations, and online reservations - and are seeing improved guest loyalty because they can provide the best care for all guests.

## MonkeyMedia Software



John Dumbrille, Publisher at **Monkey Media Software**, notes how the idea that we can climb out of turbulent times simply

by slashing costs has been debunked almost everywhere, including in the political arena. 'Downturns are times for

reassessment and reinvestment,' he says.

MonkeyMedia specialize in high impact that

can both drive sales and enable more efficient execution, explains Dumbrille. Restaurant and Fast Casual chains subscribe to [monkeycatering](#), their catering software product, to diversify with an adjacent revenue stream.

monkeycatering offers an organized order-taking process, clear and concise production and packaging instructions to the kitchen, and invoice and receivables management, all in one place. The system also provides integrated call center support. 'And if they want it, they get our advice on how best to roll out a profitable catering program across

their entire system,' he says. 'Basically, we do for catering what POS systems did for dine-in: simplify, streamline and automate, with real time visibility.'

Dumbrille tells how B2B catering makes sense in these times because, although a cost, companies that are spending \$10-20 a head for catered staff meals are also investing in teambuilding, and maintaining employee productivity.

According to the Publisher, the results from users of Monkey products have been excellent, 'and we expect to grow, along with

most of our customers, out of the recession'.

The company's website, [MonkeyMedia.net](#), has two new feature articles about proactive measures for success in the current market. The first looks at gaining control over unproductive food costs; scrutinizing old recipes and unpopular menu items; and responding to shifts in demand. The second looks at ways of driving new revenue.

'Technology that drives sales, cuts costs, and provides the keys to production and distribution management will capitalize on shifting market opportunities.'

## Jera Concepts, LLC

Jera Concepts provides Fresh Item Management Software to the Foodservice and Convenience Store industries; their web-based [Whole-Business Software](#) manages Store to Store/Commissary Ordering, Store Productions, & Commissary or Central Manufacturing Locations Production Scheduling.

Jera's largest client is **Dunkin Donuts**, with around 1,100 locations using Whole-Business Software. Although a vendor to the chain for over two years, 'we have had to fight tooth and nail for every client until this year,' says Wynne Barrett, who heads the company. 'We have seen our client base double as our users search for ways to tighten the circle on costs.'

There has also been more call for Sales Gap Analysis / Sales vs Usage variance reporting now that things are tight, and for more and more simple tools the Store Manager can use. 'We have seen our customers become more tech savvy with each passing year,' notes Barrett.

He then tells how the current model for software is to land a client, charge big upfront fees and 'nickel-and-dime them to death', not sharing them and not interfacing with other programs which could help the client.

'There is a separate discussion for why this model exists,' he claims, 'but what we are

suggesting is that all programs should interact with each other.'

In Jera Concepts' "Peace/Love Model" the client's needs are taken care of by multiple vendors who each have a specialty. 'If a software vendor has a "Total Solution", fine, but if not, start working to help your client,' advises Barrett, who says his customers are asking: *How come you two can't talk to each other?* 'Our answer is simple,' he said. 'We can but they don't want to.'

Barrett thinks the web-based subscription model is getting great traction because no proprietary hardware is dictated; upgrades, user groups, support etc are all built into the monthly cost; AND clients are finally realizing, having tried the purchase/nickel dime model, that they waste a tremendous amount of resources on upgrades, lack of customer support etc. 'They are demanding suppliers work together,' he says.

Jera Concepts clients apparently understand that a software purchase is a partnership, and partnerships only work if both parties work together to make the business run better. 'Software is not about the software and its creators. It is about the end user - and they are demanding we create programs which can be used by the last rung on the ladder - the person who actually does the work.'

## Still have questions?

Our consultants will be happy to help you.

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# Azbar Inc.



**Azbar Inc.** supplies the bar and restaurant industry with a solution for the control and management of the items they sell at their counters. Azbar markets various systems and services for F&B sales, control and management that are designed to help operate bars, nightclubs, restaurants and hotels more efficiently.

Phil Blouin, VP of Sales for Azbar, says that 'Yes indeed, the economy is in a

difficult period.' He feels that now is the time, more than ever, to turn to solutions that can help protect the bottom line. Blouin notes how Azbar liquor control systems and POS can enable operators to get paid for every drink poured behind the bar. 'It has been proven that when times are tough, theft rises,' he says. Azbar offers unique solutions that ensure owners are paid for everything they should be behind the bar.

Moreover, adds Blouin, Azbar offers a cocktail feature that prevents bartender mistakes. For example, with its Brand ID system, the AZ-200, a bartender would not be able to sell a premium at the price of a regular in order to gain a larger tip.

'At the end of the day, the Azbar Inc product line will ensure the hospitality business owners get paid - and not the "unwanted" silent partners,' says Blouin.

# LeanPath, Inc.



**LeanPath** provides sustainability solutions to the foodservice industry. Their core offering, the ValuWaste program, enables hospitality and foodservice managers to reduce food waste, lower food cost, and operate a greener facility.

The ValuWaste tracking tool supports operators as they commit to reducing food waste and food costs through auditing and tracking daily amounts of pre-consumer food waste.

An example of this is LeanPath client, Cheryl Lounsberry, Food and Nutrition Director for **ARAMARK Healthcare at Iowa Health Des Moines**. Cheryl has reduced food costs per

meal by double digits this year by using LeanPath's ValuWaste tracking tools to measure her waste and control it.

She also informed Andrew Shakman, LeanPath CEO, that as of September 2008, the hospital was actually right on to the flex budget for food.

According to LeanPath statistics, 4-10% of total food purchases end up as pre-consumer food waste. The company notes how in these difficult economic times, it is easy to understand how major foodservice operators now recognize that food waste tracking is a best management practice to reduce costs

and enhance sustainability. By tracking waste, operators raise staff awareness, create accountability at all levels, and provide chefs with information to reduce food waste in the future. LeanPath makes tracking quick, easy, and practical to do.

'We are also very encouraged that more and more foodservice operators understand that food waste tracking is the key to reducing food waste at the source and lowering food costs,' says Andrew Shakman, LeanPath CEO.

'If operators tracked food waste as if it were cash they would have much less of the former and much more of the latter!' he added.

# iTradeNetwork, Inc.



**iTradeNetwork (ITN)** is a major provider of on-demand SCM and BI solutions to the food industry. The company recently hosted a Webinar where their operator customer, **IDQ**, joined by **Compass** and **Senior Resources Alliance**, shared best practices for protecting margins.

The highlights of this are that faced with the highest wholesale food price increase in 27 years, tight credit markets, weak consumer spending, and the complexities inherent in

the foodservice supply chain, many operators will find it very difficult to weather the tougher economic environment. Operators are especially concerned with the uncomfortable realization that it's becoming increasingly difficult to squeeze cost out of the supply chain.

Key purchasing personnel from Compass, IDQ & Senior Resources Alliance discussed how spend intelligence best practices have allowed them to:

- \* Reduce food costs by up to 5 percent
- \* Perform a complete audit on contract pricing
- \* Stop leaving money on the table by driving unit purchasing compliance
- \* Optimize the product and vendor mix to maximize purchasing power
- \* Deliver more value to franchisees

By using ITN's Spend Management and Procurement applications, IDQ has specifically been able to automate the collection and

standardization of unit purchase information from distributors; identify contract price variances, SKU/manufacture optimization opportunities, and compliance problems; and help uncover new savings opportunities.

Another ITN customer is **International Dairy Queen Ltd.** In March of this year Doug White, company's VP, said: 'Given today's inflationary pressures, we want to protect our franchise members and provide the best tools to combat rising food costs.

ITN helps us improve our ability to perform a complete audit of our spend so we can enforce price and purchase compliance and maximize the success of our limited time offers.'

## CrunchTime! Information Systems



Bill Bellissimo, President of **CrunchTime!**, thinks that in the current environment, 'it is vitally important that costs are aggressively managed and that menu mix & composition are intensively analyzed.' He also feels that seamless integration of information systems to eliminate moving parts is also critical for management teams to be focused on running restaurants.

The CrunchTime! product suite offers various tools to address these needs, he continues. Configurable dashboards, an Enterprise Business Analysis suite, tools for Sales Forecasting & Demand Planning and for Food/Labor/Supply Chain enable CrunchTime! customers to take an holistic approach to managing their business in these difficult times.

'Our zero footprint web application provides a true enterprise architecture that centralizes the flow of information across the business

while facilitating enforcement of best practices,' he states. The president notes that CrunchTime!'s Performance Scorecard dashboards and Business Analysis tools have been playing an important part during these unstable times.

From restaurant GMs to the CEO, these tools provide real-time performance measures, alerts, and the ability to react immediately to business challenges; configurable reporting hierarchies and drill-down capabilities further enable quick and efficient problem solving; and real-time in-store P&Ls ensure that everyone is on the same page.

In the restaurant, the team has a complete suite of tools to support all areas of their operations. Demand planning tools supplement optimized labor scheduling, suggested ordering for the re-supply of goods, and production planning. Perpetual inventories, integrated with all in-store processes, ensure

that restaurant staff has everything they need. Labor tools ensure the restaurant is properly staffed and provide feedback throughout the day. Real time Actual v. Theoretical, Menu Mix, and Labor Productivity reporting are also valuable tools to support the restaurant staff.

Finally, at corporate, CrunchTime! provides a range of tools to drive additional value. Best in class supply-chain tools allow for centralized SCM. Integration tools provide seamless integration to all external systems including accounting, payroll, and vendors.

CrunchTime!'s centralized Management Console, in which all data setup and the configuration of enterprise business rules are maintained at corporate, ensures that the organization can define the best practices for their organization in one central location.

'CrunchTime! will enforce those best practices across the enterprise,' notes Bellissimo.

## Restaurant Magic Software



This week's topic was addressed by **Restaurant Magic's** CTO & Founder, Steve Roberts, and CEO & President, Drew Peloubet.

DP: What's interesting is that early indications show these tough times being an opportunity for us. We've just signed three significant deals and are negotiating three more.

I think that during tough times businesses see that they have to extract the full value from their assets, and one of the most underutilized assets in our industry is

information.

SR: In tough times, information, as an asset, is appreciated. In less turbulent times, good margins may have masked profit making and cost savings opportunities; now we see a more aggressive use of information to extract more benefit from operating data.

DP: Our customers presumed they were operating with good information and when they began working with us they asked us to replicate what they had before, but in a

'The industry is still waking up to the power of information.' - Steve Roberts

different format. Then we showed them what they hadn't seen before - a case of: "they didn't know what they didn't know" - until they were exposed to new information opportunities which they can now use to increase margins and better decisions.

We have several customers who make good use of the feedback loop provided by targeted, real-time reporting. Before, they could only assess situations once they'd happened; now they can move midstream for better efficiency. For instance, the Marketing Department of one client has used our

real-time promo reporting to adjust LTOs and ad saturations on the fly. Historically, these assessments happened after the fact. Ad dollars and response rates always count, but in tough times even more so.

SR: We offer information that is immediately actionable so that operators at every level can see what the business is doing and how well it's working, which requires a different kind of data stream; the old "poll, consolidate and forward" data-model is obsolete.

Of note is that not all restaurant segments are suffering; some are changing for the better. This present time is not an ubiquitous

experience. The term turbulent times can be used to describe the present restaurant business climate because the situation is fluid, and segments may be trending in opposite directions.

Some segments are struggling to maintain guest count continuity; likely because guests are value shopping or even dining at home. The bottom line is the consumer, the guest, is changing and in the past, information like guest trends was important, but not as vital as it is today.

DP: Plus, some buying reasons are shifting. Things like web access for employee

scheduling, which frees managers' time, are really resonating.

Efficiency wasn't the prime buying reason before but for one customer it's been pivotal. With our ability to apply technology to every step in the supply chain, we've allowed them to get so efficient that they're getting better information faster, to hold suppliers accountable and cut their food cost, while reducing home office head count.

That's a way that technology helps in tough times.

*'Technology has always been used to drive efficiency but now this is more paramount than ever.'*  
Drew Peboulet

## TISSL Ltd



Aylesbury, UK-based **TISSL** focuses on providing hospitality/EPoS solutions to UK and European markets. The TISSL EPoS Solution is a cost-effective, tailor-made system that helps operators run their business more efficiently. Highly scaleable, the application is suitable for any size or type of hospitality venue. TISSL clients include: **1 Lombard, Buddha Bar, Cipriani, Caprice Holdings and Zuma.**

TISSL Director, John Tod, believes that the best of today's EPoS systems have evolved into a sophisticated tool that will help the user to run the business by providing customer history information, managing future bookings, controlling staff, measuring and reporting on stock movements, and providing item margins and all statistics needed to manage the operation.

Tod tells how using fingerprint biometrics to minimize cheating and to stop staff from fiddling on their hours worked can save an average restaurant or hotel £5-£10k (US\$2.5-5k) per year. 'A good EPoS system will also provide a restaurateur with the extra edge to help them stand out from the competition,' says Tod.

The director thinks that today's hotels and restaurants need to constantly provide more than just good food if they want people to return again soon.

To get guests to come back, Tod thinks restaurants have to get the basics right: good food, warm ambiance and friendly staff. 'But to get that extra Wow Factor they need to deliver a lot more,' he says, listing some of his Wow Factor ideas:

A personal greeting on arrival; a small comment about guests' last visit or their particular requirements; asking if they would like their usual drink at the bar; and personalised service - making sure that each person gets exactly what they ordered. 'This all adds up to CRM - and this is another thing that a proper EPoS system will deliver,' notes Tod.

Kevin Coetzee, MD for TISSL, adds: 'Now more than ever restaurateurs are making sure that all their purchases offer excellent value for money, and that they will help them run their business more efficiently.'

TISSL recently announced that October '08 was the firm's busiest month ever, with installations reaching record levels, despite the current economic climate.

## FSMax Offers Summary Of Client Response



Based in Brazil, **FSMax Food Service Management Software, Inc.** is a global provider of web-based management software for Contract Foodservice Management organizations. FSMax' clients span twelve countries, on four continents, and for this Special Issue

Rubens Ruiz, CEO, set about asking a few questions to one client in each country, and subsequently sent us a summary of the results, detailed below.

*How are they putting our technology to best use?*

Contract foodservice companies are often multi-unit and multinational, and one web-based system is fundamental to manage the entire company. Most of the management team have been working out of each location and they need the right information at the right time to do their job. FSMax technology makes it

possible to integrate all the company's departments.

*What changes in processes and procedures have they established, and what results have they seen?*

FSMax deploys a new management model for contract foodservice companies, developed with the ideas from companies worldwide. The challenge for us is to remove old paradigms and change the management model of each client. Contract foodservice companies who adopt the new management model have significantly increased their profits and competitive advantage.

*'We forecasted to increase our software sales by 12% this year; however, up to October, FSMax' sales are 43% greater than 2007.'* Rubens Ruiz

*Are they adapting existing applications or deploying ones that are more efficient?*

Both, but, usually they need a lot of money and time to adapt existing applications to the new market's reality. It is possible to do this, but the main challenge is to change the management model inside existing software. Many contract foodservice companies have been looking to deploy more efficient applications.

*Are they viewing this environment as a time to use technology to hone operations and increase marketing efforts?*

There is no time to wait. The software must contain technology and new management concepts to support the company's adaptation to the present. Contract food service companies worldwide are thinking

about the improvements they need to face this.

To conclude, Ruiz told how the company has a lot of contract foodservice clients who adopted their new management model two or three years ago, and are now well placed to trade in the shifted market. 'We have clients who deploy part of the management model, because it's hard to bypass some paradigms. Now they are thinking of removing the paradigms and completing the process,' said Ruiz.

Other clients deploy the FSMax system to integrate and accelerate the information flow, not to change their management model, and according to him, these companies are now evaluating the adoption of the new management model.

## Assal Corporation



Based in California, Assal provides InTouchPOS, a modular POS system suitable for single to multi-station systems, and capable of supporting unlimited users. Assal us how in these uncertain times, the company has found that their customers are utilizing many of the modules within the InTouchPOS system to help them cut labor and food costs, and bring in repeat and new customers.

The InTouchPOS Integrated Inventory Module provides Assal customers with Theoretical Inventory calculations which gives them purchasing power and assists them with future inventory ordering based on item usage, while finding competitive prices for inventory items from multiple suppliers.

The integrated Labor Module allows them to forecast their labor based on previous data, projected sales, budget, and ideal labor. The InTouchPOS Labor Module generates a work schedule using these variables, so that restaurants do not over or under schedule their employees.

The InTouchPOS Marketing Module, with a built in customer database, allows customers to search for patrons that haven't come in to their

restaurant. It can provide information on how often a customer has purchased from them, how much they spent, and what area they live in. It targets specific customers to send emails and/or regular mail announcing specials, sending coupons and other offers.

According to Assal, many of the firm's

customers are also integrating the InTouch-POS Online Ordering Module to generate new revenue and lower their labor costs. Other InTouchPOS modules that are popular with our customers are the Gift Card, Loyalty Program, and Frequent Diner Modules.

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# What The Operators Are Doing

## Exit41, Inc.



Exit41 wrote to tell us about one of their customers, **Qdoba Mexican Grill**, the 457-strong fast casual Mexican concept based in Colorado, and the centralized call center model used for their catering business.

According to Exit41, a key part of Qdoba's growth strategy is focused on optimizing their catering business, which includes three buffet style options as well as boxed lunches. Qdoba's key customers include businesses planning for company lunches, meetings and events, and sales reps entertaining customers and prospects.

To best support this increasingly important part of their business, Qdoba is moving towards a centralized call center model to handle catering orders across its corporate owned and franchised stores, and has partnered with Exit41 to leverage their call center software as well

as their call center services out of the Andover, MA facility.

Exit41 say their call center solution for Qdoba consists of much more than simply taking orders; their call center agents are playing a key role in driving sales for Qdoba by:

- \* Developing relationships with frequent Qdoba customers to drive repeat business
- \* Converting more calls/inquiries into sales
- \* Consistently suggestive selling add-ons and high margin items to increase check size
- \* Providing consultative advice on appropriate catering menu items and quantities to improve the customer experience



## Restaurant Magic For Melting Pot



**The Melting Pot Restaurants, Inc.** has over 138 locations in 37 states and another 30 under development, making it a major US fondue restaurant franchise.

Bob Johnston, CEO and co-Founder of the chain, says there are many ways in which Melting Pot has used **Restaurant Magic's Data Central** and its easily customizable reports to their advantage, and that although all of these would help during normal conditions, several are especially beneficial given the economic climate.

One example Johnston gives is that Melting Pot are able to track the usage of their staple F&B materials, which allows them to quickly monitor compliance with mandated product usage and also helps in managing long-term contracted purchases. 'Armed with reliable data, we are better equipped to make intelligent purchasing decisions and even contract very expensive material, such as lobster tails, for longer periods of time and with greater accuracy,' he says.

Melting Pot are also able to more accurately and easily handle menu changes and LTOs. Data Central has allowed them to

drastically reduce, if not eliminate, obsolete inventory and the associated losses. 'You never want to write off obsolete inventory regardless of the condition of the industry; however, let's face it, the margin of error has become razor thin of late,' notes Johnston.

Data Central offers Melting Pot more control over inventory and reduced shrinkage, and theft of raw materials is another benefit seen. 'These same inventory controls in addition to menu analysis have allowed us to better design our menu and control the sales mix—resulting in greater profitability,' he states.

The deployment has benefited Melting Pot's marketing, purchasing, finance and operations departments and has also been installed in the company's new restaurant concept, the five-unit **Grillsmith**. 'It was very helpful in getting this new concept of the ground quickly and supplied the information needed in a fast paced new concept environment where you are constantly tweaking and refining the concept,' says the CEO. A Restaurant Magic client for eight years, Johnston thinks the recent implementation of the Restaurant Magic Data Central platform 'has taken an already good product to new heights.'

In a recent CBS News interview, Howard **Schultz**, CEO of **Starbucks**, said he can save the company more than \$400 million by cutting transportation costs and reducing waste, and that customers would not even notice. 'Great opportunities can be and have been created during tough economic times,' he says.

# Maguire's Sees Improvements With ASI



Action Systems, Inc. (ASI) provides [Restaurant Manager](#), its POS system, to the restaurant industry. An ASI client, **Maguire's Bar & Grill**, is a single-unit, independently owned eatery in Massachusetts that spent many years managing the business with spreadsheets and a standalone **Samsung** POS system. Partner Neil Levine decided a drastic change was needed. 'We don't have a slow season, or even a slow night,' he said. 'What we do have is a need to turn tables quickly so that we can optimize our revenue.'

The problem was that average per person checks were running at around \$16, in a restaurant with only 84 seats. Levine began looking for a turnkey POS system that could handle the many special requests that were sent to the kitchen; that could integrate with other third-party vendors; and that would allow him to manage his business on a real-time basis, either on-site or remotely.

Jerry Cibley is President of **Write Touch POS, Inc.**, a local Restaurant Manager reseller; he is also a regular Maguire's customer and so when Neil mentioned his search, Jerry explained the benefits of Restaurant Manager, and how it could be customized to cater for Maguire's needs. 'The ability to customize Restaurant Man-

ager's software to fulfil the unique needs of my clients is one of reasons I chose to work with ASI,' he notes.



Maguire's did select for ASI's Restaurant Manager, deployed on four touch screens, and since doing so earlier this year has seen:

- 18.5% increase in sales
- Over 10% increase in table turns
- Over 15% reduction in wrong orders sent to the kitchen
- \$6000+ savings resulting from use of reports to revise prep specs
- Improved special order handling allowing staff to spend more time on the floor instead of in the kitchen
- Additional revenue generation from gift card sales
- Improved flow of courses increasing customer satisfaction

Neil is now working on increasing Maguire's carry-out business, which currently accounts for 10-12% of sales. 'We have a website and I'm looking in to how Restaurant Manager's Online Ordering module can be used to encourage customers to pre-order their take-out food so we can get their orders processed even faster,' he said.

## ARB Uses RTIconnect



**American Roast Beef (ARB)**, a ten-unit Arby's franchisee based in Minnesota, have said that **Restaurant Technology Inc.**'s web-based [RTIconnect](#) back-office software saves their managers time, improves reporting and has eliminated the need of an IT position at the company.

ARB uses RTIconnect Food, Labor and Cash Management modules. The franchisee's Director of Operations, Joe James, said that RTIconnect's low maintenance requirements, compared to ARB's

previous back-office application, is saving his group "a bundle." Also, its web-based architecture allows head office to easily track key store-level sales and labor metrics, and enables area managers to remotely monitor at multiple units daily deposits, tills, inventories, variances and cash irregularities.

In addition, by using historic sales data to create sales forecasts that suggest optimum staffing levels, RTIconnect has significantly reduced the time managers spend creating employee schedules.

## dinePoint Helps Energy Kitchen



**Energy Kitchen**, a health-oriented QSR concept with six locations in New York, including **Hell's Kitchen**, was founded by Anthony Leone, who wanted to offer freshly cooked, healthy food to order, and serve dine-in customers within five minutes of ordering.

In business for around ten years, Energy Kitchen is not immune to the economy and so considering his cost-conscious customers and rising food costs, Leone sought a way to operate more efficiently and

eliminate waste. Energy Kitchen at that point relied mainly on manager intuition to determine food preparation quantities, but this arbitrary method led to inconsistent customer wait times, inefficient labor scheduling, and unacceptable levels of waste.

Leone knew he needed to use technology to adapt in order to do business in a leaner economy and he turned to [dinePoint](#), an enterprise reporting solution developed by **Managed Data Group**.

The application directly reports on POS data across the enterprise and was already deployed at Energy Kitchen.

Leone asked Managed Data Group to assist him with reducing waste and unnecessary labor costs, so they implemented a regression algorithm to calculate a usage factor per menu item based on a three-week moving average of POS sales data. dinePoint uses this data to generate a daily report showing three-week average trends for every hour of business with itemized quantities sold. Now Energy Kitchen can see specific data and can plan food preparation / staff accordingly.

Business decisions at Energy Kitchen are no longer left to chance and with useable information, the restaurant has seriously reduced costs without compromising the brand. dinePoint is now in all Energy Kitchen locations and Leone says: "It allows us to get a wealth of information at our fingertips. We can see trends, observe daily and hourly business, look at sales mixes and labor detail, and get a good overview of what is each store is doing."

Energy Kitchen continues to expand nationally, but Leone believes that this growth would not have been possible without dinePoint technology and innovations.

## Revention, Inc.



When layoffs at a nearby company combined with the down economy caused a sharp decrease in sales for the single-unit, Colorado-based Luca's Jersey Pizza & Pasta, the firm leveraged their Revention POS to boost sales. Luca's owner, Stacey Zoumas, said, '(The) system helped us save our business.'

Within 24 hours of implementing their new marketing and customer loyalty campaigns, Luca's saw a 42% increase in sales. 'Our sales have stayed strong because we continued to use the marketing features to reward our customers and attract new ones,' she added.

Luca's used Revention's integrated marketing module to create and distribute email and direct mail promotions. Their reporting features were used to extract a list of customers who had not ordered recently, and called the customers on the list to offer special deals. Revention's loyalty

points feature was used to encourage repeat business and to collect email addresses, also used for the email promotions.

Revention CEO Jeff Doyle notes: 'It is crucial that restaurant operators take advantage of tools they already own to survive and prosper during the economic downturn. Use targeted marketing campaigns to offer special deals to your existing customers, and to gain new ones.' He adds that if an existing POS system does not include features that allow users to perform these functions, the operator should consider purchasing one that does.

'We are confident that the tools we provide to our customers combined with a little creativity and sweat equity will allow them to successfully weather the current downturn,' he said.

## Panera Watches Weather



Panera Bread, which operates over 1,200 company-owned and franchise-operated bakery-cafes in North America, uses a weather application on its intranet that ties a cafe's historic local weather to the store's historic sales, allowing managers to forecast sales based on weather. This is said to help in staffing and in allocation of labor as well as what is needed in terms of materials.

Panera's intranet site features the application developed by VisiStat, a California-based Web Analytics firm, and is an essential part of Panera's internal marketing-communications program.



Panera partnered with VisiStat last year to track how employees and franchisees use the intranet.

Greg Rhoades, Panera's Senior Manager in Information Services at Panera, tells how approximately 15% of Panera Bread's outlets use the web-based analytics now, but by the end of 2009, all units will be tied to VisiStat so that the intranet site is 'a single source of

information'. Panera's use of Web Analytics means it can see what types of internal users are going to The Harvest, how long they stay there and what types of content they find most compelling.

In addition, a geo-tracking element allows Panera to monitor which people, where, respond to certain types of content. The chain's senior management receives updates on daily page views so that they can make material relevant to that particular audience.



Panera Bread at Pier park in Panama

# QSR Keeps Guests Happy



QSR Automations' [ConnectSmart Hospitality Automation Solution](#), including [ConnectSmart Kitchen \(CSK\)](#), is installed at the 60-unit **Islands Restaurants, L.P.**, where it is used to help the growing chain offer optimum service.

Islands began trialling QSR's CSK graphical software last year in a store where experienced back of house employees said it made food go out faster and fresher. When installed at the busiest location, record volumes were seen the first weekend. A third test with a newer team found staff improved quickly using the Islands-customized CSK configuration.

John Townsend, VP of Corporate Services for the group, says ticket times and guest & employee satisfaction are key factors for Islands' evaluation of their restaurants, and they have seen

encouraging improvement in each category wherever a CSK is installed. Employees are happier because the solution is helping them create experiences that bring guests back, and guests are enjoying perfect orders being delivered even faster.

The CSKs delay routing capabilities ensure orders are completed at the same time. Plus, Islands uses the application's real-time speed of service data and historical reports for business analysis.

'Because the CSK gives us more visibility into our operations, especially as we change and add menu items, we identified some inconsistencies we were able to solve with training,' notes Townsend. 'To top that off, we have seen a reduction in our ticket times and our problem pays to the tune of about 15% each, which are dollars added right to our bottom line.'

QSR's [ConnectSmart Hospitality](#), including [ConnectSmart Hostess](#), [ConnectSmart WebAhead](#), [ConnectSmart Reservations](#), and [ConnectSmart WebReserve](#), was recently deployed in **Claim Jumper Restaurants**. In an average year, the 45-unit chain takes \$6-9 million in sales and opens 3-4 new restaurants. With regular wait times of 30-90 minutes, the chain opted for QSR's integrated table management solution to improve guest and employee satisfaction.

According to Ted Stathakis, VP of Technology for the group, they are now seeing many benefits from using QSR's ConnectSmart solution to help care for all guests – whether walk-in, call ahead, or

those guests who add themselves to the wait list or reservations book online. 'We are providing much more accurate wait times – and the system does all of the work, so we can even count on entry-level team members at the hostess stand, which is crucial as we grow,' said Stathakis.

ConnectSmart Reservations eliminates overbooking while capturing guest data and ensuring that more reservations can be processed more accurately with less training and less staff. By adding ConnectSmart WebAhead and ConnectSmart Web Reserve, Claim Jumper guests can now choose how they wish to contact the restaurant, and at their convenience.

## ONOSYS



October saw the launch of **Fresh City's** online ordering website using the [ONOSYS 3.0](#) system – the first to implement this new version. Currently with eighteen owned and franchised units, fast-casual restaurant chain Fresh City is growing and expanding fast in Virginia and Maryland, and needed a vendor who could keep up.

According to Larry Reinstein, CEO at Fresh City, **ONOSYS'** system was chosen because it is cost-effective and because it offers specialized features such as nutritional information links that benefit and help to maintain the brand; a catering module; and better brand customization for enhanced online presence.

'Like Fresh City, ONOSYS understands the importance of anticipating customers' needs and developing unique solutions to fill those needs,' he said.



## Papa John's



**Papa John's International, Inc.** has announced \$1 million in sales made from mobile web ordering since the technology was launched in July. Earlier this year Papa John's achieved \$1 billion in overall online sales.

Jim Ensign, Papa John's VP of Marketing Communications, says the fact that this milestone was reached so quickly 'proves that consumers are increasingly using alternative methods for purchases, and we look forward to growing our technology capabilities to fit consumers' evolving purchasing trends.'

Papa John's online sales have grown on average over 50% each year since 2001, reaching \$400 million in 2007. More than 20% of all Papa John's sales come online or through text, widget, or smart mobile device, and the company thinks that sales via alternative access channels could one day take over traditional telephone orders.

# Seamless Ordering Cuts Costs



SeamlessWeb offers organizations a web-based system that gives their staff easy access to restaurants, caterers and other providers such as in-house dining, while providing a single electronic invoice for all company purchases. SeamlessWeb streamlines billing and reimbursement processes, enhances expense control, and reduces administrative overhead, helping cut costs by as much as 30% annually for its over 2,000 clients.

Wiley Cerilli, VP for SeamlessWeb, told how it will process nearly \$300 million of food orders in 2008, which means \$1.5 billion dollars in total over the last nine years. SeamlessWeb's restaurant network spans over 27 cities in the US and the UK, and is made up of 3,000 restaurants that are 95% individually owned.

Cerilli indicates that the best way to illustrate how the company's transactional website program is currently helping restaurants is by giving us a glimpse of some recent feedback.

For example, **Hatsuhana** feel that: 'Food delivery is quickly becoming one of the most vital aspects of the restaurant industry. A partnership with SeamlessWeb is simply the fastest and most effective way to achieve unimaginable success. No gimmicks...no false promises...just results.'

'The business hasn't stopped growing. Signing up with Seamless was one of the best business decisions we ever made,' say **Bravo Pizza**.

Another customer, **Village Crown**, says: 'Seamless Web is the ONLY ordering system - online or other - that has ever actually generated business for us.'

Whilst a client at **Burger Heaven** says: 'It's pretty simple: Everyone uses the Internet and SeamlessWeb is where they go to order food. It's like they have taken over the process of handing out my menu to thousands of people every day.'

# CMR Takes Stock With AccuBar



As operators strive to streamline their costs in today's climate, many are implementing various Inventory Management technologies for more control in the bar area, such as **AccuBar**, developed by **G4 Technologies Corp.**, which is being used at **Cameron Mitchell Restaurants (CMR)**, an Ohio-based multi-concept operator with 25 units. AccuBar has helped the restaurant chain lower beverage cost, increase managerial efficiency and reduce inventory costs, notes **Ryan Valentine**, Director of Beverage & Operating Partner at CMR.

He says one of AccuBar's key features is that it can take a more accurate physical bar inventory in about half the time as a hand-written inventory.

'My whole gamble in spending the money on this was whether managers would use some of the time they saved on inventory to be more of an operator and diagnose their problems,' he says, 'and they are looking more closely at reports to tackle what's going on within their four walls.'

AccuBar simplifies inventory management as it allows managers to use a PDA to scan bottle barcodes, and then tap the touchscreen to enter fill levels. As the PDA syncs with the restaurant's back-office computer, no data entry is needed because AccuBar calculates inventory and generates online reports.

When AccuBar's ordering function is also used, Valentine thinks the whole inventory and ordering process can be up to 70% faster.



Valentine says one store reduced its wine and spirits inventory by about \$20,000 thanks to the system. 'We didn't change the size of the wine list; we changed the way we bought,' he added.

*AccuBar's Total Inventory Management Solution*

# Gordon Biersch Use HotSchedules



David Cantu is VP of Business Development for **HotSchedules**, providers of web-based restaurant labor scheduling and workforce management solutions. He introduced the editor to Robert Werk, COO

of **Gordon Biersch Brewery Restaurant Group**, who was keen to share his experience in launching **HotSchedules Enterprise Labor Management** to reduce labor and increase communications. Cantu

noted that HotSchedules designed a custom labor proforma to match Werk's current labor management process, 'and it's brought a powerful simplicity to an extremely useful daily report of labor standings,' he said.

Tennessee-based Gordon Biersch Brewery Restaurant Group is a chain of 38 upscale-casual locations. In conversation with Robert Werk we establish that the business only started implementing HotSchedules in late July '08, but the group has already realized the benefits of the software.

According to Werk, 'hourly staff love it as they can have schedules sent to them by email or text, or they can pick up / give up shifts online – which is what Generation Y staff want.'

*'The staff enjoy as it is easier to schedule. It's been a tremendous help, even after just three months. We are already seeing results.'*

From a scheduling standpoint, 'it has all the things we wanted from the old program', such as saving managers time spent making schedules, and allowing them to schedule from home.

From a labor standpoint, the schedule is a huge help – 'and makes sense, as it allocates the right amount of staff.' HotSchedules also produces after-fact reports relating to labor, showing how the company did re actual schedule vs actual hours worked.

We ask Werk to specify how HotSchedules is helping in the current climate. 'We can already see how we did yesterday and make adjustments,' he replies. 'We can schedule according to labor and sales. The labor proforma shows how we did and how we scheduled... the variance is did we do well or not.'

He tells how the aspects discussed above have enabled Gordon Biersch to write tighter schedules with more oversight and yielding lower labor costs. Werk said the group can learn from this and hold their managers accountable for scheduled hours. Another help is that the application is online, which offers more oversight. 'Regional managers and others can look at schedules online so are more accountable than in the past, as before they only saw each schedule if on location at the site,' he says.



## General Trends

### Be Inspired

'Inspire 2009', RSPA's Thought Leadership Summit, will be held 18-21 January at Aruba's **Marriott Resort**. In tune with the current state of the US economy, RSPA would like to ensure visitors that this year's event will offer highly relevant information for today's business environment.

Inspire 2009's educational schedule offers a two-day session to identify the value areas in business and products, and how to negotiate that value

proposition into the sales process.

An executive from **Smith Barney** will conduct a session on the economy and investments; and senior management for **IBM**, **NCR**, and three Dealer owners will take part in an interactive panel discussion looking at strengths, weaknesses, opportunities and threats affecting dealer business decisions.

## Technology For Menu Labeling Compliance

As new menu-labeling laws emerge throughout the US, many QSRs are seeking technology that allows them to comply as painlessly and affordably as possible, but without overwhelming their customers. Some of these technologies include:

**DIGITAL MENUBOARDS**— Such as **IDS Menus**, who set up browser-based template screens for clients which can be adjusted at any time, with all menuboards automatically updated. To avoid overwhelming diners, Bryan Lesseroux, IDS' VP of Marketing, suggests a slideshow presentation with menu items and prices on one screen and specific menu items and caloric content on another.

**ELECTRONIC KIOSKS**— **TableTop Media** offers a tabletop kiosk that

operators can use to display caloric and nutritional information. They can also create specialized screens that display healthy choices on the wireless digital touch-screen.

**NUTRITION ANALYSIS TOOLS** - There are now tools available that help determine the caloric content of menu items, such as the web-based [MenuCalc](#) that instantly calculates the nutritional content of recipes. There are also applications that perform nutritional analyses, such as the [Food Processor SQL](#) which has a database of 35,000+ foods and recipes, updated as new information becomes available. **The Nutrition Company** offers [FoodWorks](#), for Windows, which stores 30,000+ food references and 113 nutrients and food components. Both applications have databases that can be expanded by the user.

# Vendor News

## Panasonic's New Program

### Panasonic Finance Solutions

Provided by CoActiv Capital Partners for Panasonic System Solutions Company

In November, **Panasonic System Solutions** announced a new program to provide financing options, mainly through its Authorized Dealer network, which will offer a valuable sales tool for dealers and make Panasonic's systems more affordable for customers.

Panasonic Finance Solutions will simplify and facilitate acquisition of Panasonic System Solutions' analog and i-Pro IP video surveillance solutions, alongside other system components such as POS systems and digital signage, that are increasingly prone to be part of a broad-based system.

'The goal of Panasonic Finance Solutions is to work through our designated channel partners to make it easier and faster for end user customers to obtain the system products they need,' said J.M. Allain, President, Panasonic System Solutions Company. 'Our new

finance solutions make it more affordable for customers' budgets and business plans.' The program enables Panasonic's resellers to provide a total solution to their customers that combines Panasonic's technologies with an affordable acquisition method.

David Gerrard, VP for Panasonic Finance Solutions, added: '(We) will enhance the sales process for dealers through special financing promotions, training and dedicated sales support. Most importantly, Panasonic Finance Solutions is financially strong and has capital available for Panasonic customers to finance the systems solutions they need for business.'

He said that both dealers and customers can count on quality, responsive service and access to a full suite of standard and customized finance products and leasing options.

## HyperActive Sees Revenues Rise 400%



On 14 November, **HyperActive Technologies** announced that its year-over-year revenues will multiply by more than 400 percent this year to over \$4 million, and that it is cautiously optimistic about this trend continuing over the next few years.

HyperActive provides the QSR industry with intelligent applications including HyperActive Bob, the predictive food production manager. The company's Chairman and CEO, Joe Porfeli, believes the firm has 'turned a corner, from being a start-up software company to the point at which we are a significant technology provider to the QSR industry.'

Indeed, HyperActive clients include **CKE, Arby's, International Dairy Queen, and Jack in the Box**, who all consider the company to be a

preferred or exclusive provider of QSR technology. Porfeli notes that HyperActive's position within the QSR sector has been strengthened thanks to two specific actions taken last year.

Development of Bob continued, with implementations tailored to specific chains, and the company also became more effective as a provider to QSRs by acquiring related products, complementary to Bob, that these operators are already adopting on a widespread basis.

Porfeli told how HyperActive's vision has been to add value for QSRs by providing products that 'surround the restaurant with technologies that enhance the customer's experience.'

## Givex Notes Gift Card Sales Set To Increase

In November the results of the 5th annual Gift Card Study conducted by **Nanos Research** on 1,000 Canadian adults, and sponsored by **Givex**, reveal that even in the midst of the credit crunch, consumers will still be buying gift cards.

The study shows that 59.8% of those aged 40 to 49 say they will buy

and receive gift cards. In 2007 the figure was 48%. For those aged 18 to 29 (53.1%) and 30 to 39 (52.2%), numbers were also up.

'This year, two big concerns were forefront in the minds of our clients and their customers: the environment and the economy,' says Karen Budahazy, EVP of Givex, provider of closed loop card technologies

including gift, loyalty and other stored value programs. 'Our study found that while these two factors may pose some challenges, they also provide some profitable opportunities for many businesses selling gift cards this holiday season.'

It is believed that gift card sales could save many businesses during an expected slower holiday season, as the majority of respondents (65.2%) said the economy would not effect their gift card purchasing decisions. It seems that more people will be using gift cards as a budgeting tool, because the amount of people who will spend more than the card is worth has come down from 55% in 2007 to 39.3% in 2008.

## HotSchedules



Consumers are also more environmentally conscious about their spending. Over 55% of surveyed shoppers are happy to pay more for a gift card made from environmentally-friendly or recycled material; indeed, 41.6% of consumers would pay up to \$1.99 more. Givex has been meeting this demand by offering gift cards made with 50% recycled material instead of 100% petroleum-based PVC.

The study shows that businesses need to make gift cards readily available, and focus their marketing on crucial age groups and consumer concerns if they want to profit from this holiday season.

In November, **HotSchedules**, provider of web-based restaurant labor scheduling and workforce management solutions, announced the completed deployment of a new data center technology to satisfy the company's explosive rate of growth, reduce power consumption, and offer better performance and availability for customers.

HotSchedules was one of three companies selected for the **Dell / Microsoft Hyper-V Rapid Deployment Program (RDP)**. HotSchedules deployed a virtualized server infrastructure with Windows Server 2008 Hyper-V running on Dell PowerEdge servers and supported by a Dell PowerVault iSCSI storage area network (SAN).

HotSchedules' workforce management applications are accessed by over 300,000 users every day for scheduling and communication; since 2005, the company has seen its business double each year. But with this growth came challenges. 'We quickly realized that we

couldn't continue to add computer hardware for each new customer - we were running out of space and power in our data center,' says Ray Pawlikowski, President of HotSchedules. 'We needed a way to consolidate our resources while gaining scalability for future growth, and Dell and Microsoft provided the answer.'

The deployment has reduced the number of physical servers by a 10-to-1 ratio, and by consolidating and simplifying its IT infrastructure, HotSchedules was able to eliminate 36 physical servers, cut monthly power expenses by 77%, and reduce software licensing costs by 75%.

In addition, the technology puts application performance and availability at a very high level for HotSchedules' clients, and can support the company's continued growth. In line with the new infrastructure, HotSchedules is also bringing online an additional data center, ensuring customers complete application redundancy and uptime.

## OpenTable Goes Mobile



**OpenTable, Inc.**, global provider of online reservations for guests and guest management systems for restaurants, last month announced that its free application for iPhone and iPod touch is now available on the **Apple App Store**.

OpenTable for iPhone allows diners to check real-time availability of restaurants in the area and get their locations; make free, confirmed reservations; and then follow directions. The application leverages the core functionality of the OpenTable.com website and the location-based features of Apple's devices.

Ann Shepherd, VP of Marketing at OpenTable, thinks the combination of allowing people to match their actual location with availability at nearby restaurants makes the OpenTable application unique. 'All the necessary steps, from choosing a restaurant to actually confirming your reservation, can be done simply and quickly, without ever leaving

the application or having to make calls to multiple restaurants,' she said.



Registered OpenTable members have the ability to see their upcoming reservations, earn OpenTable Dining Points and view their current Points balances.

OpenTable for iPhone was developed in close collaboration with **Context Optional**, a social marketing company, who also helped develop the OpenTable Facebook application.

*OpenTable for Mobile Web*

# Operator News

## Vivonet's Halo For Kernels



In October, the 66-store franchisor **Kernels Popcorn Ltd.**, based in Toronto, Ontario, said its new location in Dubai, UAE, will follow the rest of the chain and use the web-based Halo POS technology from **Vivonet Inc.**

Penny Daniels, Kernels CFO, thinks that one of the benefits of using Halo in Dubai and elsewhere is that, 'We will be able to see real-time information and help the new operations through the challenges they may face when establishing their business in a new environment.'

Daniels says that Halo is 'an affordable option that meets the strategic needs of the head office and the operational needs of our franchise owners both in Canada and abroad.'

Vivonet comments that restaurants using Halo's "secure" web-based application can remotely monitor employee activity and access the back-end reporting system, as well as make system changes, from any location with Internet access. Using Halo Enterprise Manager, corporate and franchises can run reports online for one or multiple units tied to sales, menu mix and labor, and benchmark the collected data in a variety of ways.

## Burger King Expanding Out East



It appears that in many parts, consumers are flocking to **Burger King** stores as they go in search of cheaper dining. The company recently announced a new partnership and expansion plan in Taiwan, and Burger King CEO, John Chidsey, says that, 'In the short run, we've been somewhat of a beneficiary of the downturn.'

Chidsey noted that people who can't afford to go to mid-priced restaurants still want to go out – and Burger King has benefited from that demographic. 'The question is, if things get worse, do people decide at some point they should just stay at home?' he asks.

Despite increased sales, Chidsey feels that if global credit markets

remain frozen, a bigger longer-term concern for Burger King could be financing for its franchisees, who operate many of the company's restaurants. For now the world's second-largest hamburger chain has yet to see such credit problems, he added.

According to the CEO, BK will probably revise downward its previous forecast for 5-7 percent food inflation for June '08 to June '09 but regardless of the economy, Burger King is expanding aggressively in Asia, one of its fastest growing regions, and recently announced a joint venture in Taiwan, with local partner **Dachan Great Wall Group**. Plus, at the end of November, the first Burger King in Czech Republic opened its doors - seen as an important step in the company's Central and Eastern European expansion strategy.

## Chick-fil-A Goes Mobile



On 5 December, **Chick-fil-A** announced the success of a recent mobile campaign targeted at driving back-to-school breakfast business in Houston, despite the arrival of Hurricane Ike. This was the restaurant chain's debut text messaging campaign which used text to supplement radio, point-of-purchase and reader boards for a LTO. **Mobile FKM**, a Houston mobile marketing firm, designed and executed the campaign during the four-week promotion.

The "Chick-fil-A Chick-n-Minis for a Year" campaign was launched as a test pilot for the 47 Chick-fil-A stores in the Greater Houston area.

On-air radio spots, in-store POP and text messages to subscribers of radio station mobile databases drove opt-ins.

Tina Murray, Marketing Director for the Houston area of the group, said the amount of in-store traffic and positive feedback from the promotion made the trial a success.

'The ability to build and leverage a mobile database is a strategy that is right on target with the rising acceptance of consumers to mobile couponing,' she said.

# McDonalds Offers Practical Help



On 4 December it was announced that **McDonald's Corp.** is now offering a money management program to its 500,000+ unit-level employees in the US, where the chain has over 14,000 locations.

The McDonald's Practical Money Skills program includes English/Spanish options, a budgeting guide to track expenses, and access to an instructional video and an online resource center at: [www.practicalmoneyskills.com/mcdonalds](http://www.practicalmoneyskills.com/mcdonalds). **Visa, Inc.** helped the

global chain develop the application, which is based on Visa's financial education program, "Practical Money Skills for Life."

Steve Russell, Chief People Officer for McDonald's USA, commented: 'During today's difficult economic times, providing information and educating employees on the importance of financial responsibility has become important now more than ever.'



## Technology Best Practices in Turbulent Times

In these turbulent times, key actions and decisions regarding your technology can have an immediate and significant impact on your business. Here are a few suggestions from Accuvia, the leading IT consulting firm in the world focused on the foodservice, lodging, and retail industries.

1. Audit your maintenance agreements
2. Analyze Help Desk and Support programs and practices
3. Audit purchasing levels and programs for supplies and equipment
4. Look at reducing servers and related maintenance through virtualization
5. Audit your automated forecasting systems and underlying assumptions
6. Add web ordering capabilities
7. Evaluate or implement a loyalty program targeted toward building sales over the next 12 months
8. Increase points of purchase to make it easier for customers to do business with you
9. Focus on basics—taking care of the customer. Use appropriate technologies to enhance your customer experience
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