

A man with a beard, wearing a plaid shirt, is looking at a tablet computer in a restaurant setting. The background shows a counter with various items and a menu board.

Reducing Back Office Complexities

A Restaurant's Opportunity for Tech Consolidation

An ebook by

 **HotSchedules**[®]
Now Powered by Fourth

Contents

Introduction *pg. 3*

Consolidated Software
to Save Time and Money *pg. 4*

Scalable Solutions to Avoid
Overwhelming IT Staff *pg. 5*

Gain Data Visibility to
Make Better Decisions *pg. 7*

Store-Level Adoption
is Everything *pg. 9*

Summary *pg. 10*



Introduction

In the last decade, the industry has benefited greatly from restaurant management technology that has transformed everything from point-of-sale to employee scheduling and training. However, these advancements have caused unforeseen problems — namely, large, disconnected tech stacks that are expensive to operate and leave managers mired in data.

Restaurant management technology investments are supposed to simplify your operations, not complicate them. But in too many cases, legacy restaurant systems are leaving managers with one more thing to worry about on top of their already hectic daily lives. How can restaurant operators innovate for the future and enable their managers without another system muddying the waters?

Restaurant CIOs are up against several large obstacles, including:



The cost and complexity of the legacy infrastructure and disconnected architecture



Difficult visibility into and accessibility of data up and down the operation



Scaling new technology to the organization's needs



Getting teams to spend the time to adopt new technologies

This eBook looks at four pressing challenges and presents one unifying solution. The key is to deploy simplified and integrated systems that deliver actionable insights to help restaurant managers plan for tomorrow and look back to see what happened.

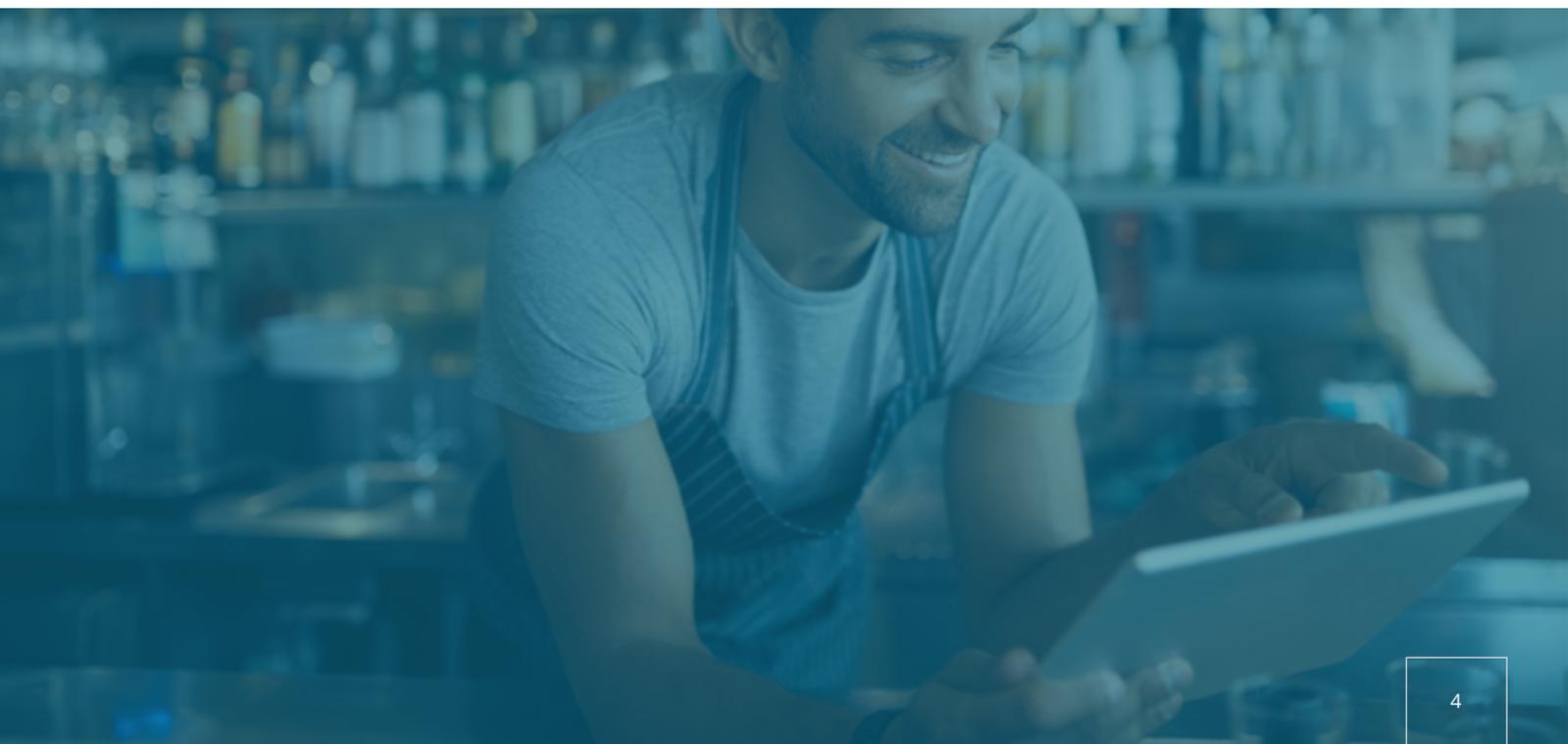
Consolidated Software to Save Time and Money

Today's restaurants run too many systems, with some businesses utilizing anywhere from 10 to 30 different technologies in-house. There are independent systems for point-of-sale, scheduling, training, payroll, inventory management, marketing, and more.

The sheer amount of technology is a reaction to monolithic back office software that lacked functionality. But, in the race to automate every function, restaurants have lost a vital benefit of advanced systems — streamlined performance. The lack of tech consolidation has put operations at a disadvantage in multiple ways, including the time managers waste logging into and out of multiple different systems every day.

These disconnected tech stacks are also incredibly expensive to uphold. This is one of the biggest hurdles restaurants face in optimizing their operations and meeting top-line business goals and day-to-day key performance metrics, like the daily cost of sales, labor, and food.

The solution lies in moving from multiple disconnected systems to a connected tech stack that functions as a “one-stop shop” — providing managers with centralized access to the whole range of data locked within each system.



Scalable Solutions to Avoid Overwhelming IT Staff

IT teams also don't have adequate time to innovate — they're overwhelmed with the maintenance of their systems, network, security, and total tech stack.

In fact, Hospitality Technology's 2018 Restaurant Technology Study found that IT executives named being held back by legacy systems as the number one problem facing technology teams. A whopping 66% of IT budget is spent on the maintenance of legacy systems. What's more, the study found that among the top challenges facing IT departments, the two top challenges are measuring ROI and the lack of an IT budget. Restaurants are twice as likely to struggle with ROI than with mid-tier challenges.

Top Challenges Facing Restaurant IT Team



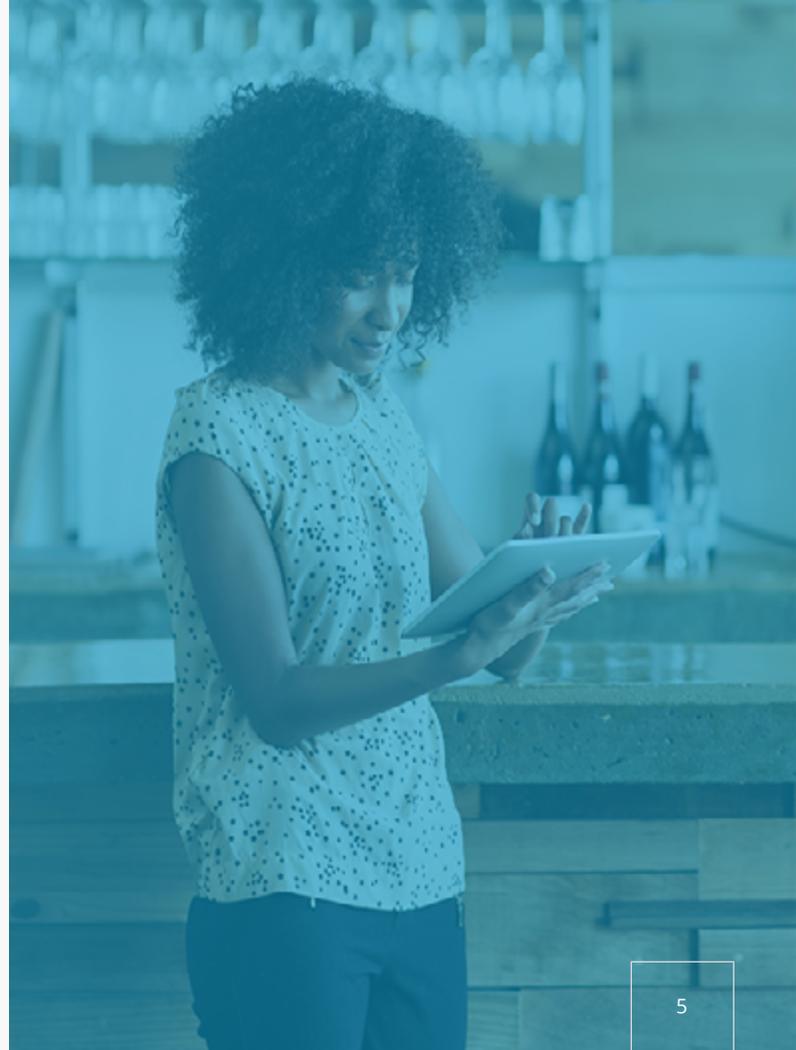
Held Back by Legacy Systems (Hardware/Software)



Lack of Sufficient IT Budget



Difficulty Measuring ROI of Technology



“ 66% of restaurant IT budgets went to maintaining legacy systems. ”

— Hospitality Technology's 2018 Restaurant Technology Study

As restaurants have grown their tech stacks to gain the advanced functionality they need to remain competitive, they have created a new staffing problem. In order to run all of these systems, you need to hire IT professionals to manage the machines. And with IT often getting the short end of the stick in the face of other business priorities, opportunities to optimize tech functionality get lost.

The solution lies in consolidating multiple systems in a much more simplified network. If you're considering a new back-office solution, it's important to do an analysis of your vendors and how their systems can work together (or not).

“An operator with just over 25 stores recently admitted his team is managing more than 30 vendors under his tech stack. Whether it's the right strategy or a necessary evil, we have to ask ... should mid-market, multi-unit restaurant brands really have to deal with that many technology vendors?” - David Cantu, Chief Customer Officer and Co-Founder, HotSchedules, Now Powered by Fourth

If the systems can't work together it may be time to simplify operations by switching out the engines with solutions that don't keep data siloed away. To implement this approach, it's important to identify a technology partner with experience in facilitating discussions between vendors and restaurant leaders.

Gain Data Visibility to Make Better Decisions

Restaurants need their managers out on the floor overseeing teams, handling issues as they arise, and ensuring guests are being served great experiences every single time. Instead of locking themselves into the back office to try and suss out trends and business information, managers need to be served up actionable store-level insight.

Managers make daily decisions such as how much product to order or how to adapt the schedule to meet the demands of a last-minute catering order. What if restaurant managers had a single application to not only view the data that support those decisions but also reflect on the shift and communicate plans for improvement?

Does this sound familiar?

“ We need to create reports for above-store management, but my managers are busy handling critical shift-to-shift responsibilities. I can't have them sitting in the back office crunching numbers all afternoon. ”

This speaks to the lack of visibility facing CIOs and their IT teams. Sure, restaurants are generating tons of data thanks to all of their technology systems. But in many cases, they either can't access or can't translate that data into insights that help decision-making — at least not without turning their managers into data scientists.





Technology systems that consolidate planning and communication tools can empower managers to make decisions while improving their productivity. Restaurant managers need mobile-enabled tools that electronically document what happens before, during and after the shift. That way, busy operations teams can get context and continuous insight into important data and KPIs.

This is especially true in terms of forecasting technology. Restaurant managers are an important part of the forecasting equation and need transparency during the process. A singular “black-box” tool that simply presents a number will ultimately hurt both adoption and trust in the tool. Providing managers context around last year’s sales and metrics, the range of weeks used for the forecast, and last year’s shift notes allows them to better understand the numbers and make more informed decisions.

The ability to make those decisions can improve operations on every level — from staffing, to inventory management, to product quality. Incremental improvements in each area of the restaurant will optimize bottom and top line profits.

Store-Level Adoption is Everything

Finally, it is very difficult to gain the level of employee adoption needed to run productively and profitably when there are too many systems. Restaurant managers are already overwhelmed with the amount they have to manage within their stores, including the store's technology. Record-high manager turnover only amplifies the issue, because every time a manager moves on from your store, they walk out the door with their systems training.

There's been a general belief that monolithic back-office platforms and business intelligence or analytic software have improved overall operations. The consolidation of the back of house operations into one, centralized software system was a first step.

The problem is that often there's been a lack of standardization and overall strategy for deploying the systems that can operate individually and as part of a collective tech stack powering the operation. Legacy back office solutions simply don't connect to new software providers the way new ones can.

This presents several implications:



It can cost tens of thousands of dollars to create reports across multiple databases, because it's all custom and that's expensive.



It takes too long to deliver the types of reporting capabilities corporate executives and leadership teams need to make business decisions.



Lack of insight makes it difficult to steer the business, so executive leadership teams look to marketing and operations to drive bottom and top line growth.



IT budgets and projects to innovate infrastructure and architecture are put on hold to support marketing and operations' initiatives.

Modern, intelligent back-office systems give restaurants capabilities they can never achieve with outdated systems, including sales and inventory forecasting, optimized scheduling that balances the budget with employee job satisfaction, continual improvement, and insights that drive greater execution from the executive level all the way down to the shift-level — to name a few powerful advantages.

Summary

The technology used today in many restaurants' back offices is not helping businesses succeed because it's not meeting the dire need for greater insight, precision forecasts, and smarter operations. When it comes to the state of technology many restaurants are still stuck with closed and disconnected architectures, complex legacy systems, a lack of visibility, and high development and maintenance costs.

These challenges shackle restaurant operators to outdated systems and processes that significantly limit their businesses growth — blocking them from deploying next-gen solutions that support a whole new level of restaurant performance — a level that can mean the difference between long-term success or failure.

What's missing? An intuitive, next-generation back office system that delivers ...



The ability to generate higher staff performance



Easier operation and maintenance



Reduced inventory waste and labor expenses



Insight that helps managers plan for the expected and handle the unexpected



Greater consistency in product and service

In an industry that runs on small margins, high operating costs, and a dynamic workforce, each and every decision can impact the bottom line profit growth. To support a growing or evolving restaurant business, operational and IT leaders need easy and fast access to their data. The capabilities are available now in next-generation back offices systems that marry business rules, internal and external data, flexible reporting capabilities, and manager planning tools to help managers make more informed decisions every day — before, during, and after every shift.