

PURCHASING a POS SYSTEM for a RESTAURANT

Change is Everywhere

Nowhere is change more apparent than in your restaurant, day after day. Good employees are hard to find, train, and keep. Food costs and rent goes up, and competition gets tougher. And customers have expectations that get higher. You need to address these facts. But if you're tied up with paperwork, reconciliations, endless training and speculation about what's happening to your inventory, you won't have time to focus on what matters most - providing the quality products and services that keep your customers happy.

A POS system Can Help

A point of sale (POS) system is one of the most important business decisions you will make. Choose the right system and you will simplify your life, help reduce your paperwork, give better control of your operations, and increase the profitability of your operation. Choose the wrong system and you will live with that frustration.

The right POS system provides a platform for a complete hospitality management system. It gives you a solid foundation for all of your information requirements and application needs, today and tomorrow. This simple guide will help you get started on choosing a POS solution that's right for you.

Formerly known as cash registers, a POS system's hardware may be as basic as a computer, operator display, receipt printer and cash drawer. Input devices include a touchscreen and magnetic stripe reader for cards.

However, it is the software that will drive the operation and provide the detailed reports that you need to you make informed business decisions.

A POS system will save you money by helping improve your productivity and reduce the time you spend away from other key areas of your business. This guide is intended to help educate you on the process, to make a more informed decision.

Why buy a POS system?

Buying a POS system can provide a significant return on investment, even if your restaurant has annual revenues of as little as \$350,000. If you are below this level, an electronic cash register may meet your needs until your revenue increases.

However, sometimes others choose to invest in POS before reaching that revenue level. Why? Some want the reporting features, and some see it as an investment that boosts efficiency on day one. It is rarely totally unnecessary. The only question is how soon POS can pay for itself.

Increase your profits, increase your control, and be more productive - all the things you want. It's as simple as eliminating errors between servers 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. It's as bottom-line as making sure your customers are satisfied. The right POS can help you manage and control all aspects of your business. Here's how:

How POS Increases Profit

Reduce shrink. POS can drastically cut down on shrink, the inventory that disappears due to theft, waste, and misuse by employees. The difference between honesty and dishonesty is two steps: Need & Opportunity. You cannot control the need to steal, but you can control the opportunity to steal, by keeping your eye on what was sold as reported by a POS system.

Improve accuracy. POS will insure every item is sold for the correct price when ringing items using a touchscreen with preset price keys. Your staff will stop charging the wrong price (and/or stop guessing), and you can change those prices easily.

Increase margins. You can focus on selling higher-margin items by reviewing detailed sales reports. Then boost the sales of those high-profit items by promoting both those and any under-performing dishes in your restaurant setting.

Cut expenses, Improve service - Integrate Credit Card Processing. Eliminate separate credit authorization terminals (and reduce the extra phone lines). Integrated credit makes every terminal a credit card authorization center, for faster, easier server access. This eliminates manual fund reconciliation because "register" and credit card totals are automatically balanced. And it will consolidate daily transactions for single batch transmission to the bank, and yield cost savings through reduced credit card fees

How POS Increases Control

Know where you stand. At any point of the day, POS can instantly tell you how many of a particular product have sold today (or last week, or last month), and how much money receipts you have in your cash drawer.

Better manage Inventory. Detailed sales reports make it much easier for you to keep the right stock on hand. Use historical data to better forecast your needs. Detailed sales data by menu item allows you to quickly validate actual stock against expected inventory levels. You can pinpoint potential areas of waste and/or theft. Clear inventory information helps make purchasing requirements more accurate – not just based on past experience or estimates.

Better manage Labor. Time and attendance functionality will result in increased productivity and gives you easy access to all labor-related information. And Labor Management software will typically include all labor-tracking functions. Training mode reduces your time with employee training, making new employees productive quickly.

Control Guest Checks. Guest check tracking ensures full accountability by server and allows for almost all “exceptional” situations – split checks, discounts, tax-exemption coupons, promotions, etc. The pre-check process ensures that you charge for every item served; and nothing comes out of the kitchen without getting posted first to a guest check.

How POS Improves Efficiency & Productivity

Reduce paperwork. Compared to using an electronic cash register or manual system, POS dramatically reduces the time you have to spend gathering sales figures or other repetitive but important paperwork, whether management, tax reporting, payroll, inventory control and more. With a few keystrokes, you are able to get detailed information such as:

- 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 revenue center
- User-defined reports that can be easily integrated with back office operations

This saves you time and gives you peace of mind. 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.

Increase transaction efficiency – Remote Requisition device. A remote printer in the kitchen (or kitchen video system) provides instantaneous server-kitchen communication, eliminates mistakes, speeds up service and lets servers spend more time with customers. Table/server/wait list management capabilities combine maximum efficiency with improved customer service.

Build a customer list. Collect the names and addresses of your best customers as part of a standard transaction. Then use the list for targeted advertising or incentive programs.

This all sound good on paper, but you must be committed to using a POS to the fullest. If you do not take advantage of the appropriate training and on-going support, you will not realize the same benefits that others do. It is a tool that you will get out of it what you put into it.

Comparisons Without & With a POS system

Here is a sample comparison to show you how the right POS system can change the way you do business.

Without POS

• Guest’s order detail governed by server asking the right questions and writing down the answers. Order mistakes occur.

With POS

• Guest’s order detail governed by built-in forced modifiers or prompts. Order is entered completely.

- Handwritten checks may not be legible. Kitchen can misread. Mistakes occur.
- 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.
- At end-of-day, manager manually counts items sold to compare with existing inventory.
- Tips are tallied and reported by servers to management.
- All checks must be manually closed or transferred at end of shift. Checks “fall through the cracks.” Manual reconciliation performed by manager or bookkeeper daily, weekly, quarterly, etc.
- Manager or bookkeeper manually compiles time and payroll information.
- Credit card authorization involves “swiping” a card through a freestanding terminal. Server waits for reply, manually records approval code and writes up a credit card voucher in addition to the check. Server must sometimes wait if terminal is being used by another server.
- Manager must manually reconcile total sales with credit card receipts.
- Manager (or bookkeeper) prepares all accounting reports daily, weekly or quarterly, as needed.
- Remote Printer delivers clearly printed order to kitchen immediately on entry
- 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.
- POS automatically tallies items as they are sold providing complete inventory movement status.
- POS automatically calculates tips per server in complete compliance with tax regulation. Tip reports are available by server and in total.
- In order to sign out, the system requires a server to account for every check. This captures revenue that would otherwise be lost.
- POS 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.
- Integrated credit authorization allows server to get approval and initiate printing of credit voucher with single “swipe”. Capability enables servers to use any terminal for credit authorization, reduces wait time, eliminates need for multiple phone lines, and often earns discounts from credit card processing companies.
- System reconciles POS & credit totals automatically, updating report with every transaction, and consolidates daily credit transactions for a single batch transmission to bank.
- POS automatically captures information in reports customized for the operation. You improve accuracy and save time.

How POS Pays for Itself

The right POS system will improve your ability to capture each transaction accurately. That increase alone lays the framework for a powerful Return-On-Investment story. Work through the numbers for your own operation.

	Example Restaurant	Your Operation
Revenue	\$500,000	_____
Estimated F&B Costs (50% of revenue)	\$250,000	_____
Seats	120	_____
Terminals Required	3	_____
Estimated POS Cost	\$15,000	_____
Direct Savings:		
• Elimination of arithmetic Errors on guest checks (1% of revenue)	\$5,000	_____
• Reduced food & beverage Requisition waste (1% of Revenue)	\$5,000	_____
• Increased avg guest check i.e., one drink/table (3% of Revenue less F&B costs at 50%)	\$7,500	_____
Total net INCOME benefit	\$17,500	_____
Projected Payback *	10months	_____

**Savings percentage based on accepted industry averages with automated POS. You may gain more through increased table turns, improved inventory control, and increased productivity, none of which is measured in example.*

What Do You Really Need?

You should carefully research what your own needs are and the market has to offer, as you would with any significant business purchase. Before you talk to a vendor, make a realistic examination of the strengths and weaknesses of your operations, your headaches, and your own expectations of what a system can do. Here are some questions to help you begin a self-audit.

- Do you have a problem?
 - How many customers leave each week because the wait is too long?
 - How many orders go back to the kitchen because they are “wrong?”
 - What is the average table turn? Is that high 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?

- How much time do you spend on the following?
 - managing inventory
 - compiling reports
 - training and managing 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 any ideas about using a new system?

Then make a prioritized list of the areas that you need help. At the same time, establish a realistic budget for your POS purchase. Basically plan for 1-POS terminal per 30-40 seats and budget approximately \$5,000+ per terminal, including hardware, software *and implementation (which may be the most important portion)*. Be sure to share your list and proposed budget with any POS supplier you talk to. It will help the supplier help you.

Types of POS systems

The POS market is divided into two segments with very different needs: retail operations and hospitality businesses, like restaurants, bars, and hotels.

POS for Restaurant operations

Restaurants and hospitality businesses have much different requirements than retailers.

Fast casual restaurants want efficiency. Retail-type restaurants, like coffee and sub shops, want a POS system that relays inputted orders, to cut down on time-per-transaction and reduce the errors that happen when hastily-scrawled orders are passed back to the kitchen.

Quick-service restaurants are where a POS system is practically required. To live up to their name, orders must be taken on POS terminals in the front, then automatically displayed on monitors in the food preparation area to be quickly assembled and delivered to the customer.

Table-service and Fine Dining restaurants must create and store open checks, as parties order more over time, as well as track which server is responsible for which table. The efficiency gains from better management can be impressive. If a restaurant with 20 tables and an average check of \$45 can increase table turns by one party per table, that's an extra \$900 on a busy night.

Integrated hotel POS systems allow you to transfer meal charges from the dining room to guests' rooms with just a button or two. Hotel managers need to be aware that not all POS systems integrate with all property management software.

For information about Specialty Retail POS systems, see "PURCHASING a POS SYSTEM for SPECIALTY RETAIL STORES."

Basics of a POS system

The Central Computer (Server) & the POS Terminals (Clients)

POS terminals (the clients) are typically networked to a central computer (the Server computer). The Server runs the application. Most resellers require you purchase the Server computer with the POS system, rather than you providing your own – and may charge an extra fee to setup your provided computer. That's because setup and ongoing support is much easier when the reseller is familiar with the hardware. Getting all the hardware from one source lets the reseller take responsibility for the entire system. When you supply it, you become responsible for it.

Most POS software requires newer operating systems (Windows XP), faster processors, and more memory. Don't ever consider using something you have lying around. And POS software today is not necessarily compatible with the newest operating system, such as Windows Vista.

Electrical Power

Restaurateurs often underestimate the need for "clean" electrical power for a POS system. When a network of multiple POS terminals are installed, fluctuations in the electrical supply due to copy or fax machines, blenders, microwaves, and other devices plugged into the same electrical circuit will easily cause enough noise in the power supply to wreak havoc on a POS system.

You solve the problem two ways. The best solution is to install a dedicated circuit with an isolated ground, used only for your POS systems. Power filtering can sometimes be an acceptable alternative, to eliminate troublesome spikes and noise.

Electrical power is the single biggest cause of problems in POS systems. Insist your POS vendor properly analyzes your power situation and insure the proper safeguards are implemented.

POS Terminal hardware

Touchscreen built-in to a Computer

Many POS terminals are made specifically to include the computer with a built-in touchscreen and magnetic stripe reader, and almost all restaurants choose them. “All-in-one” units are built for the abuse and rigors associated with restaurant use, especially spills and grime. And touchscreen is more intuitive to use than a keyboard, with more programming and user-interface flexibility in a touchscreen, which guides an operator through a transaction. Touchscreens minimize staff errors when entering orders, and reduces training time and costs. Some touchscreen terminals are built by well known manufacturers with strict manufacturing guidelines, and some do not.

Wireless Handheld POS terminals

Wireless handheld terminals transmit orders back to a base station (or access point, with an antenna, that is cabled to the server). If used properly, they can increase the amount of time servers spend on the floor taking orders and interacting with customers, based on not going back to a terminal to enter orders.

Wireless handheld POS terminals are more expensive than wired touchscreen POS. However, in the right application, they can deliver a return on this higher investment, when servers increase their orders, or spending more time up selling desserts and drinks and improving customer service. Using wireless POS in a stadium or arena that has club seating provides the highest return. Your results may vary, so consult the POS vendor for assistance. Select the rugged and more expensive units if using over tile or concrete floors. Only use the non-rugged units over carpeted floors.

POS Peripheral hardware

Printers

Printers are needed at POS to create receipts and credit card slips for customers. Restaurants also send orders to kitchen and bar staff using remote printers. There are two main types of receipt printers: thermal and dot matrix.

Thermal printers use heat-sensitive paper and heat to generate receipts. They are faster, quieter, and generally more reliable because they have fewer moving parts. Although thermal paper costs more, the overall supply costs are somewhat lower when adding the cost of both paper and ribbons for dot matrix printers.

Dot matrix printers, also known as impact printers, use pins and an ink ribbon to print on regular paper. They are suited for kitchens where the temperature prevents a thermal printer from working effectively.

Cash drawers

Cash drawers are where cash, credit card slips, gift certificates, exchange receipts, and any other important paperwork is store. Sturdiness of construction is the key, as a cash drawer takes abuse from constant opening and closing, and get leaned-on by operators while open, often causing damage.

The signal to open many cash drawers comes from the receipt printer. If you purchase your entire system from one vendor, you will not have to worry about compatibility, but this should be a concern if you are purchasing components separately or are reusing existing printers (or existing cash drawers).

Some cash drawers are more serviceable than others. Although the life expectancy of a cash drawer is measured in the millions of cycles, you can replace the rollers, bearings, and other parts if they do wear out. Cash drawer prices typically average \$250, and less for manually opened standalone cash drawers.

Magnetic card readers

When you purchase POS software that includes integrated Credit Authorization software, you do not need a standalone credit card terminal. However, you do need a magnetic card reader to read the magnetic stripe. Many POS touchscreens, and some keyboards, have a reader built-in; if not, an add-on reader will cost \$100 - \$125.

Access ID

To limit employee access to POS terminals for security purposes, the two most common methods are simple PIN codes and magnetic swipe cards. These are the most reliable. Some POS systems offer is a tiny fingerprint ID box. Although secure, *it is the least reliable option, from a read rate perspective*. So if it's not working, it's not being used. And the most important issue is to utilize the method you have chosen.

Customer displays

Customer displays are optional accessories that show item and price information to the customer, while some can display advertising. Rear displays are attached to the POS (when customers face the rear of the terminal), and Pole displays are typically used when it's necessary to view in a different direction. Vacuum fluorescent displays (VFD) typically cost more because they are brighter and can be viewed not only further away but also better in well-lit areas near windows. Liquid Crystal displays (LCD) cost less, last longer, but cannot be viewed as well from a distance or in bright areas near windows. Software must compatible with the display's emulation, but again, if you buy an entire system from one vendor, this will not be a problem. Pricing ranges from \$230 to \$330.

Supplying your own POS peripheral components

Installing POS hardware is not like installing your own PC hardware. Think twice before you considering supplying any components separately from the system, on your own.

Beware of compatibility issues, as many POS peripherals only work with other specific POS peripherals, and the POS software may be compatible only with certain POS hardware. For this reason, most POS resellers tend to avoid disrupting the harmony associated with installing POS software on any customer-supplied POS hardware.

POS Software

Basic POS software tends to function similarly. As features are added, software packages vary, become more complicated, and more costly.

List what you need the software to do before comparing. That list should include needs that make your business unique. Favor doing business with POS resellers that ask these types of questions to determine what is best for you, and are more familiar with your type of business. But do yourself a favor and ask yourself these questions prior to meeting with a representative.

Basic functions

Basic POS software provides lots of common functions: Item display and price, calculating taxes, handling returns, voids, discounts and payment options, and reporting. Some include credit card processing. Restaurant POS software will create checks by diner or table, tracking orders per server, moving diners from the bar to a table, and more. By programming “ordering” details, automatic “prompts” provide step-by-step guidance to a server. This feature eliminates wrong orders by ensuring that all critical information (i.e. “how the meat is cooked” is captured and relayed to the kitchen. Additional prompts can be included to encourage “up-selling” by servers.

Frequent Buyer/Diner programs

Frequent-buyer/diner programs are now available, even to small restaurants. These programs can reward return customers with incentives or discounts, and have become popular. Much like frequent flyer miles, restaurants can track total purchases, and accumulate points to be exchanged for discounts, or even a free desert, half price special, or dollars off their meal in a restaurant. You can also market to customers based on their typical purchase or time of visit.

Other considerations

Think about what other POS software functionality you need or may want in the future, and determine if they are included or available later.

- Integrated Credit Authorization
- Time and Attendance
- Labor Management
- Gift Card program
- Detailed Transaction or Check analyzing
- Exporting data to a third-party payroll service

Multiple locations

Some restaurant POS software companies offer “headquarters”, “host” or “internet” software. This is basically software for consolidation of multiple locations, whether daily totals are “polled” from a centrally hosted server (at headquarters), or can be a snapshot of the day's business that is accessed from anywhere with a web connection (internet-based). This software can sometimes provide “management” of items and pricing, to better control different stores from a central office. Also, for businesses with branches in different regions, “multi-management” can be particularly useful, allowing you to share the same settings among stores, but also vary settings – for example, offering the same item, but with different prices in different locations.

Questions to ask about POS software

- How easy is it to make changes to the item and employee files? You will need to be able to change prices, items, and employees regularly, so make sure you can comfortably work with the setup interface.
- What type of reports does it produce? Every piece of software will give you basic reports - ask for samples so you can compare.
- Think about your specific business and needs, and add your questions that you gathered from the “What Do You Really Need?” section starting on page 5.

Where to Buy POS & POS Pricing

Virtually all POS systems are sold through resellers, not manufacturers. These resellers have the expertise to install, program, and support your POS system. Some vendors sell systems over the Internet or by phone. Those vendors are focusing on the less-expensive, one-size-fits-all, do-it-yourself solution. Ask yourself the question: *Am I in the POS business or in the restaurant business?* Think about what you may be getting yourself into before purchasing a business system from someone remotely. Do you want to become the installer, programmer, and support person, in addition to running your restaurant?

POS system costs vary significantly. A full-featured POS system, with hardware and software, including the labor to setup, customize to your business, deliver, install, train, and provide initial support, will begin at about \$5000 (or more) for the initial terminal, then range from less than \$3,000 to more than \$6,000 per terminal beyond the first, from a reputable reseller. The hardware peripherals, both type and quantity, makes this range vary so widely.

If you purchasing an off-the-shelf system from a discount vendor for less, it will require lots of work by you, whether it's the installation or programming, and you will not have any of the support you need. Or you may be dealing with a POS reseller that has a less than stellar reputation.

When considering and comparing POS vendors, price should never be your most important consideration. Why? Because the POS system will pay for itself in time through reduced expenses and increased sales. Make sure you get a system that truly

meets all your needs. Have confidence in the vendor you choose. (See “How to Choose Your POS Vendor”)

Most POS systems are purchased, but can be leased. POS vendors typically can make arrangements with third-party leasing agencies to spread the costs out over time. Or get a small bank loan to purchase the complete system.

Expect to upgrade your POS system as your business grows. New software updates let you get access to the latest features. New software versions may be included in your support agreement or service contract, or may involve a fee. Adding new hardware, new POS terminals, or new peripherals to existing terminals can be relatively easy, providing your software remains up-to-date.

How to Choose Your POS Vendor

Identify the right providers

Choosing a POS vendor is a big decision, because of the critical nature of POS in a restaurant. *In many ways, the vendor choice is more important than the software and hardware choice.* Price is always an issue, but in many cases you get what you pay for, so it's worth doing your research before committing to a vendor. With you and your POS vendor embarking on a relationship, if your vendor is good, your partnership will make your life simpler and your operations more efficient and profitable than currently. Have discussions with the major providers and limit those to no more than 3 vendors. If you need on-site support, you want a vendor with a local support operation. If you need service during the peak of your rush and quick reaction, 9-5 service may not be enough, so make sure the vendor can provide capable support 24x7 if you need it.

To insure that your vendor is dedicated to and capable of supporting your business through any problems you might have, get strong positive answers to these questions:

Specialty & Experience

Is the vendor a restaurant specialist? A vendor's experience in an industry is important for any major business purchase. But with POS, go one step further and investigate how much experience the vendor has in supplying systems to other companies in your line of business. A white table cloth restaurant varies considerably from a cafeteria. Better POS vendors will ask you about your business, find out what your particular needs are, and then provide a solution that is appropriate. It means the vendor can function as a consultant right from the start. An experienced vendor will be able to make recommendations on how to design and implement your system to make operations more efficient and increase customer satisfaction. He or she will know how to get a system and staff up and running quickly.

Length in Business

How long has the vendor been in business? Is the vendor committed to a long term relationship? 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 vendor's sales and service organization.

Certifications

What certifications do the vendor's employees have? When a vendor's technician has the credentials, your expectations will more likely be met. Earning computer technician certifications mean that the tech invested the time and possesses the knowledge and skills essential for success, as defined by experts from companies across the industry.

Perform a Survey

Did the vendor ask you a lot of questions? A good vendor must understand the details of your operation before making any recommendations.

Installation & Planning

How does the vendor plan your installation? The quality of a POS installation will have lasting effects on your business. Qualified installers will not take a standardized approach to installation - they will analyze your needs, test your existing infrastructure, including power lines, and make sure you get a system that is customized to your location and business needs. The first week or two of using a POS system will determine whether it flies or flops, so a well-tested installation is essential. Ask how often the vendor will be on-site during and after your launch - only until the system is running, or will they come back to check in and answer the inevitable questions that arise?

Support, Support, Support

Nothing is more important to the success of a POS installation than Customer Support. Meet the people that will be responsible for delivering this support. Make sure you know exactly what your vendor provides in terms of response times, repair policies, and telephone support. This is the single most important aspect of a POS purchasing decision. At a minimum, the vendor should have the following services available to you:

- Planning and Preparation (preparation also includes lot's of your time providing information)
- Site survey and consultation (for wiring, cabling, placement, etc)
- Custom development of your POS database
- Installation of the hardware and software
- Total system integration services
- Manager and Staff Training
- On-site support as the system goes "live"
- Ongoing help desk with remote dial-in software support
- Software maintenance and updates
- Parts, supplies and repair services
- Ongoing consultation on Security and Data Protection, including Anti-Virus, Anti-Spyware, and Internet use at the store level

Review the support programs of a POS vendor. Get an in-depth explanation, in writing, of how your potential vendors handle support. The more detailed it is, the more likely that the quality of support will be high. This alone can easily determine whether you should do business with them or not.

Solving More Support Problems

Why? Well, think about what will happen if your POS system goes down? Chaos? Most reputable POS systems have good overall reliability. However, shutdowns can and will happen. Those can lead to unhappy customers, lost revenue, and considerable headaches.

Most will diagnose problems over the phone first, and many basic problems are solved this way. Vendors can also diagnose and solve problems with remote connection software, by dialing into your site, taking control of the software, and fixing it from their office. For problems that can not be solved over the phone or via remote connection, there are different options for escalation. Local vendors usually have field service technicians who can come to your location and make repairs. If they can not fix a hardware problem on-site, they should be able to provide loaner equipment that can keep your business running.

Some vendors do not have field technicians, and they may not even have an office in your area. These vendors may send you a replacement component when you call in with a problem. You then have to send the broken component to them for repair. For this plan to work, you should either have spare terminals or spare parts, if losing the use of a terminal for a period of time is not an option.

POS vendors provide widely varying warranties. Ask about parts repair (depot versus on-site), length, type, pricing, and features.

Parts repair may be on a depot (ship-in) basis, not on-site. You must determine the problem, call for a return materials authorization, disconnect the component from the system, put it in a box, ship the unit back to the source, wait for it to be repaired, then re-install the component on the return. Are you prepared for that?

Length of the Hardware Warranty Repair period can vary from 90 days to one year, and length of Software Support and Help Desk can vary from 30 days to one year.

The type, features (what's included, what's not), and quality of support can be even more varied! Most charge per-incident for calls outside of certain business hours. In short, there is not much consistency in how vendors structure their support plans.

This can make it hard to compare one to the next, but make sure you do: POS systems are too critical to day-to-day business to risk under-buying support. So get that information in writing!

Facility

What kind of operation does the vendor run? Get a sense of a vendor's operation by visiting their facility. See their repair shop. Ask for an organizational chart. Tour their help desk. *Meet the people that you will depend on.*

Demonstrations

Did you try it yourself? Nothing will give you a better sense of how easy a system is to use. *Some vendors do on-site demos, but always consider trying the system in their*

office, so you can take the facilities tour discussed above. Either way, an in-person demo cannot be overlooked.

References

Can the vendor refer you to satisfied customers who have operations similar to yours? Call them. Ask how the POS system solved their problems, and be sure to ask about service response and quality. Of course, you will be referred to the vendor's most satisfied customers, but you can still learn quite a bit from them. Here are some sample questions to ask the references:

- How has the POS system influenced your business?
- What do you wish you had done differently?
- How did the vendor respond when you needed support or repairs?
- Do you know of any one else who uses this system? This can get you additional references to speak to, some of whom might be more candid.
- If you had to say one negative thing about the dealer, what would it be?

Do not be afraid to ask for a reference that dislikes the dealer, as well. Every business has dissatisfied customers from time to time, and you can certainly learn from them.

Options

One size does not fit all, so a good vendor will be able to show you a variety of ways to accomplish your objectives. He or she will offer a choice of systems with varying features, functions and price points.

Proposals

Any serious proposal should include:

1. Total cost, through implementation, initial training, live support and follow-up
2. Line item description of items, all tasks, all responsibilities and all costs
3. Support plan agreement costs and detailed parameters
4. Detailed implementation information and timeline. You should allow 4-6 weeks from time of order to time of installation for a proper implementation.

Future

A good vendor knows what's hot on the horizon – customer database marketing, integrated electronic payment options (debit, smart card, etc.), frequent diner programs and more. They can talk about how these capabilities might apply to your organization, and can help you integrate them when the time is right.

Questions Welcomed

A good vendor welcomes questions and should be able to give you answers you can understand. You are embarking on a partnership with your vendor, so you should feel comfortable together.

Your Final Checklist

If you have received positive responses to your research in “How to Choose Your POS Vendor”, here is your final checklist.

1. Is the system easy to use and easy to learn?
2. Can the software be customized to meet your operation’s specific needs now and in the future?
3. Is the hardware rugged, unobtrusive and designed for the harsh restaurant environment?
4. Does it offer the flexibility of including multiple remote requisition devices (printers or display systems) for automatic routing to proper stations (kitchen/bar) as well as to a master station (for an expeditor)?
5. Does it reduce paperwork and save time by generating the reports you need in the format you want?
6. Does it offer you the flexibility for custom design reports?
7. Does it consolidate all transactions at the end of the shift, end of day, end of quarter, etc.?
8. Does it provide a detailed tip and transaction report for each server as well as your establishment?
9. Is it designed to help you comply with IRS standards?
10. Can it simply and properly track all transactions by server including negative ones?
11. Does it provide integrated credit card authorization and electronic draft capture?
12. Does it provide maximum security by allowing you to limit access by employee and function?
13. Are you protected from system-wide failure? Does the system have built in redundancy so there’s no single point of failure?
14. Does it fit your budget? (That doesn’t mean buy the cheapest system you can find! If you are tempted by the lowest price, make sure the local sales and service providers meet all the criteria laid out on pages 11 through 15 of this guide.)
15. Does the total cost include on-site start-up support for a smooth transition as your system goes “live?” How long?
16. Will the system grow with you? Does your vendor have a future focus, especially toward the use of technology in the hospitality industry?
17. Can the system handle reporting and database requirements as you expand? Will it accommodate new applications and technological innovations as they are introduced?
18. Does the system satisfy every requirement on your prioritized list?
19. Find out what your responsibilities are and what will be required to prepare your store for a POS system. Does the vendor have documents prepared to guide you on those responsibilities?
20. What about care? Preventative maintenance can be important. Simply vacuuming out the cases and cleaning printers can extend their lives considerably. However, can the vendor provide you with added information?
21. What will the installation be like? Does the vendor provide a guide for implementation?
22. As with any computer systems, backups are important. Talk to your vendor about how this will be accomplished.

23. Do not use your POS computer for anything other than POS. Especially resist the temptation to connect them to the Internet and use them for web browsing or email. Can the vendor do anything for you to insure this does not happen in your absence?
24. Ask about Security and the effects of the internet and viruses on your POS system. Remember, it's a business system, not a home computer or entertainment system. What steps can the vendor perform to insure your security needs will be met?
25. If you have a little bit of computer ability and think you might be able to put a POS system together yourself... that is probably a very bad idea. POS systems have to be much more robust than regular computer system, and the issues that can crop up are very specific to POS.

The Common Law of Business

"It's unwise to pay too much, but it's worse to pay too little. When you pay too much, you lose a little money--that is all. When you pay too little, you sometimes lose everything, because the thing you bought was incapable of doing the thing it was bought to do. The common law of business balance prohibits paying a little and getting a lot--it can't be done. If you deal with the lowest bidder, it is well to add something for the risk you run, and if you do that you will have enough to pay for something better."--John Ruskin (1819-1900).