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How Workforce Management Apps Support ObamaCare Strategies
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ObamaCare: There's an App for That
The White House has delayed the employer mandate till 2015, but that's no reason to put Affordable Care Act strategies on the back burner. Here are solutions you now have time to coolly consider.

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Software developers may say... but what you should hear.
Editor's Letter

Lightbulb: ON  
Technobabble: OFF

Restaurant Technology: Open for Business

“Aha” moments: Those are my payoffs in writing about technology. Finding the words, analogies or shared references that turn someone’s mystery and blank look into an information asset and a smile. This is (I hope) equal parts “teacherly” altruism and typical editorial ego: Stand back, you poor, tech-tongue-tied engineer/developer, and let me make your product/service benefits clear to your market.

The skill for this craft involves fearlessly asking a lot of dumb questions (of that same engineer) and the raw material is confusion. Where things are too simple to understand, I go unfed. And after writing about telecom and IT for...well, forever, there was a minute or two in which I feared that restaurant tech would be too easy and straightforward to let me earn those ego biscuits. After all, most people never set foot inside telephone closets and data centers. Who doesn’t go into some kind of restaurant, some of the time?

Several months later, the news is good. Restaurant tech is fairly chewy stuff! Just as running a restaurant or 10 is a job with an inordinate number of moving parts and timing considerations, the technology that helps one track and optimize that operation can certainly take some pains to understand. And like everything else tech, it keeps changing and growing. So we look forward here at Restaurant Technology to following it, to learning, and to passing on the best of what we learn, every quarter.

One of the deepest black boxes inside the larger RT box? Marketing. The hottest pieces of today’s marketing story concern big data, mobility and location-aware promotion—precisely where restaurants sit front and center. Our Geofencing: Corralling Traffic via Mobile (p. 14) and our Stacked Piles on the iPad Apps (p. 12) stories start shedding some light here. So do three of what we hope to be regular features: Then, Now, Next and our Back Of House and Front of House pages, found in the front and back of our quarterly print and posted “house.” For its first backwards-and-forwards look, TNN picks location-based marketing. BOH and FOH are quick takes on products and services that may be way out there, or just making their way to popular adoption; in our maiden issue, both pages have tools designed to create or refine restaurant marketing campaigns.

Another area ripe for “aha” harvest: workforce applications. Our timely ObamaCare: There’s an App for That (p. 8) article connects some of the dots between timekeeping systems and Affordable Care Act compliance strategies.

Of course, this being Vol. I, Issue 1, we just got here. While we have the good counsel of some veteran foodservice technology watchers, I’d love to hear from you, our readers, to make the most of our efforts. Tell me which RT areas you’d like us to train our sights on next.
Front Flip / frɛnt flip / noun
frequency driver the big
restaurant brands trust
see also Millennial Magnet, Buzz Builder, Sales Spiker
BILINGUAL TOUCHSCREEN MENU

Want to make Spanish/French/Portuguese/Etc.-speaking customers feel at ease? Try this multi-lingual menu for touchscreen ordering and payment. Two things make it work: The first is Kokley’s Padloc POS Flip lockable dock (www.kokley.com/create), which securely encloses and “flips” an iPad 180 degrees for viewing on both sides of a table or counter. The second is Kokley’s proprietary “Magic Menu” application, which harnesses the iPad’s accelerometer to switch between two stored versions of a menu when it’s flipped. Associates/customers can enter orders or payments in one language, and easily turn the dock to display the content in another.

GEORGE JETSON’S BARTENDER

A prototype showcased at Milan Design Week, this three-armed robotic bartender takes orders from patrons who choose to make up their own crazy cocktails with a proprietary, downloaded smartphone app. Part of the allure is entertainment, part of it is creativity, and a big part is gamesmanship and recognition: As the thing pours, shakes and plops in olives and lemon twists, a digital board behind displays the drinks being made, the robotic processes and ordering statistics. The “MakrShakr” is the brithchild of MIT’s Senseable City Lab (http://senseable.mit.edu) and Carlo Ratti Associati (www.carloratti.com), an Italian architectural firm. The Italian company is calling this a classic example of “participatory design.” (For another example, see “Stacked’s uses for the iPad Pile Up,” p. 12.)

Originally, the cocktail was considered a morning eye-opener. Some speculate that’s how it got its name — a metaphor for a rooster (cock) heralding the light of day. (Source: USA Today)

Recognizing Regulars with Customized Coupons

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There’s an App For That

Workforce management applications can help operators stay compliant, match staffing with traffic and menu ordering needs, document and enforce shift assignments, and minimize compliance risks.

By Pam Baker
Restaurants and restaurant chains have been among the most vociferous opponents of the Affordable Care Act (ACA), aka ObamaCare, claiming that the new regulations will wreak havoc on their razor-thin margins. At the National Restaurant Association show back in May, fear of 2014 — the start of the employer coverage mandate — was audible. But no sooner had we chosen “Countdown to ObamaCare” as the name of our cover story and a stopwatch as its symbol, than the White House stopped the clock, announcing on July 3 that the employer mandate part of the Act would be delayed until 2015.

Some see the postponement as a cynical ploy to push painful job losses past the mid-term election date, but the NRA has officially, at least, taken the administration’s given rationale at face value. Dawn Sweeney, NRA president and CEO, credited the White House for listening to “the concerns of our members, the complexity of the requirements, and the need for additional time to be able to comply effectively.”

Indeed, the industry may put the extra time to good use, if it doesn’t give in to the heavy gravitational pull of procrastination. In just the short time since the Supreme Court’s upholding of the Act, chains have calmed down a bit in their reaction and several scaled back their estimates of costs. Further, the year gives restaurants time to test workforce management solutions that not only keep ACA obligations in check, but convey other benefits as well (see below).

“While initial thoughts were focused on controlling the number of hours worked by employees in an effort to avoid the implications of ObamaCare, the pendulum now seems to be swinging back the other way,” says Mark Sanders, an attorney at Taylor English Duma (www.taylorend.com), an Atlanta law firm with a prominent labor and employment practice. “Whether from public relations or other perspectives, they are recognizing that the answer is not as simple as reducing employee hours.”

One thing that might be influencing that change of heart is the not-so-hidden costs behind the avoidance strategy.

“In order to successfully operate with only a staff of part-timers, restaurants would have to hire a minimum of 30% more workers,” explains Mitesh Gala, CEO of Altametrics (www.altametrics.com), a major software platform provider for foodservice and other retail businesses. “That means whatever savings thought to be had in this strategy would be eaten away by the loss of talented full-time workers, and in the hiring, training, payroll taxes and related accounting, and other costs of adding so many new part-timers. Not too many companies are taking this tack.”

ObamaCare Survival Options

“Each restaurant really has three options for compliance with ACA,” explains Dennis Maggart, executive vice president of McInnes Group (www.mcinnesgroup.com), a benefits consulting firm.

“Keep doing what you are doing now and try to manage the employee base to minimize penalties; eliminate the existing healthcare plan and pay the penalty, or design and implement a Safe Harbor plan.” (See sidebar, Safe Harbor Plan, Defined.)

“While many restaurants initially thought that the most cost-effective option would be the elimination of their healthcare plan, after careful review of the regulations and consultation with their tax experts, most have found the Safe Harbor Plan, Defined, to be the most effective option.”

Safe Harbor Plan, Defined

A Safe Harbor plan is a health insurance plan that is offered equally and identically to all full-time employees and meets certain criteria in terms of credibility and affordability.

According to McInnes Group VP Dennis Maggart, a credible plan is one that pays at least 60% of all typical charges; nearly every plan designed meets this criterion. An affordable plan is one that costs the employee less than 9.5% of his W-2 income. For a minimum-wage, full-time employee, the maximum contribution for single coverage is approximately $119. Since there is no requirement under PPACA for family or spouse coverage, most employers that offer a plan are already in the Safe Harbor.
Harbor approach more attractive,” says Maggart. “If the owner can effectively manage his workforce to minimize [rather than eliminate] the number of full-time employees, defined as those working 30 hours or more per week, then they can usually make the Safe Harbor plan requirements of ACA affordable.”

To make that strategy work, however, some strict workforce management is required to ensure that part-time workers don’t tip over the full-time mark. “Thirty is going to become the new 40 in terms of detecting for overtime,” as Matt Thompson, CEO of ShiftNote (www.shiftnote.com) puts it. Guarding against last-minute scheduling changes, unplanned overtime, fraudulent clock-punching or “too early, too late” time punching are crucial in preventing an accidental or deliberate push of individual employees into the full-time classification. Software systems have a huge role to play here.

**WHY POS ALONE WON’T MAKE THE GRADE**

“POS is the heart of any restaurant’s technology strategy,” says Liz Moughan, director of the Retail & Hospitality Practice Group at Kronos (www.kronos.com), a workforce management software provider. “However, the Affordable Care Act has created a need for the industry to have real-time visibility into their workforce data, as well as tools to help them execute on the legislation’s requirements,” she adds. “If restaurateurs continue to rely on POS alone to provide these necessities, unfortunately, many will be dead on [ACA’s] arrival.”

“A workforce management solution, unlike POS, allows for punch restrictions – not allowing employees to clock in too early or late

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**Vendors Mentioned in This Article**

**Altametrics** is a web-based provider of enterprise-grade software with a hearty fan base in the restaurant industry. The company focuses on chains and franchises with 100 physical units or more, although it also serves smaller operations. According to CEO Mitesh Gala, the company has seven of the top 20 U.S. restaurant chains in its customer base, including the world’s largest hamburger chain.

Altametrics’ flagship offering, e*Restaurant, covers most aspects of restaurant operations, from purchasing and inventory through forecasting, labor relations and supply chain management. Its patented e*Smart Clock feature helps operators comply with labor laws ranging from the federal to the local level. The system’s predictive capabilities help automate workforce scheduling and product mix orders. (www.altametrics.com)

**Kronos** is also a cloud-based provider, specializing in workforce management across several industries. Kronos for Dining solutions includes timekeeping, HR management, payroll, workforce analytics, employee scheduling, absence management, employee selection and hiring, and task management. (www.kronos.com)

**ShiftNote** was created by restaurant owners to improve shift-to-shift communications between managers. Today it is a horizontal, web-based employee scheduling application and manager’s logbook. It allows users to create schedules from scratch, and also performs automatic scheduling, overtime detection, multiple position assignments, daily roster reports, sales and labor forecasting, text and email alerts, and shift reminders.

Employees can use ShiftNote to request time off and announce availability, or request and make shift trades. ShiftNote’s manager logbook keeps searchable shift notes and displays weather feeds, stat and sales tracking, daily reports and alerts, an event calendar, task tracking, and deposit drop and cash count. (www.shiftnote.com)

**WhenToManage** is restaurant back-office software for both independently owned and multi-unit dining establishments. Subscription-based, it offers POS intelligence, inventory management, employee scheduling, manager log book, as well as customized deployments. It supports a range of popular POS systems and can be integrated with accounting, ERP and catering applications, among others, via its open platform. (www.whenotomanage.com)
based on their schedule,” Moughan says. “In addition, a workforce management solution provides real-time information and alerts so that managers can better execute their ACA strategy.

“Also, POS is unable to provide ‘a single source of truth’ for all planned vs. actual hours worked – a key benefit to using an integrated workforce management solution for time and attendance as well as forecasting and scheduling,” she adds.

IT’S NOT ONLY ABOUT OBAMACARE
Operators’ primary goal vis-à-vis ObamaCare may be to avoid fines and stay out of legal difficulties, but there are other advantages to workforce management besides compliance.

“The Affordable Care Act is an important trigger event in the dining industry,” says Moughan. “While it does present significant risk, it also presents an opportunity for restaurateurs to sneak ahead of their competition by taking a more strategic approach to managing their workforce.” Indeed, workforce management applications introduce new, formerly impossible, ways to increase profitability.

“Scheduling can be completely automated and based on strong predictive capabilities,” says Mitesh Gala, CEO of Altametrics. “For example, our e*Restaurant application computes a number of factors that affect how much staff and what product mix you’ll need on any given day or shift. Among the factors considered are your marketing calendar and offers, historical transactions, average tickets, weather predictions and speed of service.”

Gala also points to his company’s patented e*Smart Clock, which acts as a “labor law marshal” and eliminates “buddy punching” by means of an employee-identifying biometric fingerprint reader.

LOCAL LABOR LAW COMPLIANCE
“One of our clients is Little Caesar’s, which uses our application to ensure labor law compliance at its many locations,” says Gala. “In Utah, for example, the underage rule bars minors from operating heavy machinery and it considers a dough mixer heavy machinery. Our application automati-

that law. It does the same with other labor laws in other localities.”

While workforce management apps offer a number of different ways to increase profitability, many restaurateurs are still hesitant to use them.

“Some are trying to make their existing POS systems work — which they won’t in this new environment — because they are unfamiliar with the new tools and they assume their workers will have trouble learning how to use them,” says Gala. “The bigger learning curve is usually with management, depending on their familiarity with tech use in general. Ironically, younger workers are more tech savvy and the restaurateurs are anticipating a training problem that is almost nonexistent. Indeed, they may very well find that their workers love the new applications.”

That is often the case, it turns out. WhenToManage (www.whenomanage.com), providers of a restaurant operating system for POS intelligence, inventory management and employee scheduling, conducted a survey asking employees if they would recommend web-based labor scheduling to a past, future or present employer, and why. “Their answers surprised us,” says Walker Thompson, vice president of sales and marketing at WhenToManage. “More than 85% would recommend it because it fundamentally improved how they communicated with the operation.”

That is largely because many workforce management applications enable employees to review their schedule, post their availability and communicate with management via a smart phone app.

“More communication about this and other issues, not less, is the key to keeping employees happy and productive,” says Thompson.
If you'll recall, “Stacked” refers not to the eatery’s wait staff but to the hamburgers, pizzas and other meals that patrons customize by piling on ingredients, choosing from colorful touchscreen menus. Within each category of toppings, breads and sauces, customers pick from among 30 to 40 options; even if it’s a choice — say, triple mushrooms, suggests Pearson — that they might hesitate to request from a live server. They can also pay via iPad POS with a credit card.

Today, there’s a membership program in which those on an iPad, on-site or at home, can register and log in as a “Stacked Friend.” Through those log-ins, managers are alerted when such VIPs are in the house; typically through their iPhones. “It’s just like having a regular come in,” says Pearson. “Managers generally want to acknowledge them and treat them as such.” Managers are also directed by their app to occasionally perform “Random Stacks of Kindness,” approaching tables full of Stacked Friends with particular rewards: comped drinks, movie tickets, desserts or even entire meals.

**MENU OFFERS THAT ONLY SHOW FOR STACKED FRIENDS**

Stacked Friends see specialty items appear on their iPad menus that non-SFs don’t. They also receive invitations to special events and submit their creations into companywide contests for the chance to invent a STACKED signa-
ture item. The biggest hook, however, to Stacked Friends isn’t the chance to win freebies or order exclusive items, says Pearson. “The biggest hook is that you get to save your creations, so if you’ve spent a little bit of time making something and really enjoyed doing it, you might want to save it and order it right off the favorites menu, or recommend it to friends.” People who save their creations are also encouraged, of course, to snap pictures and share them on Facebook, Pinterest and Flicker.

Stacked customers now are requested to fill out online satisfaction surveys with the same tableside iPad, replacing the register receipts commonly printed with URLs and little incentives that are invariably thrown away and ignored. This not only gathers more feedback data by seizing the moment — it gives managers an opportunity to respond to complaints while patrons are still on-premise.

In-house feedback app notwithstanding, Stacked still gets more than its share of Yelp reviews, says Pearson. “The folks engaged in our business are the ones leaning on the tech side. They’re active on Facebook, Twitter and Yelp. That’s partly what they enjoy about our business. They see a resemblance to the rest of their lifestyle.”

Finally, Stacked encourages friendly inter-restaurant competition, seeing which property can sell the most “shakes of the month” or sign up the most Stacked Friends. Staff keeps score via in-house iPhone apps, private Twitter feeds and a digital team member board. “Because of our ability to track everything, we have a higher level of information,” says Pearson. And a gamified approach to front-of-house performance.

“...The biggest hook is that you get to save your creations, so if you’ve spent a little bit of time making something and really enjoyed doing it, you might want to save it and order it right off the favorites menu, or recommend it to friends.

– Brian Pearson, CIO at Stacked

81% of consumers have searched for a restaurant on a mobile app in the last six months.

70% of consumers think it is important to be able to read the menu of a restaurant on a mobile device.

62% of consumers are less likely to choose a restaurant if they can’t read the menu on a mobile device.

(Source: Chadwick Martin Bailey study, April 2013)
Geofencing, or the practice of closely targeting computer users based on their current location, is still a relatively new field when it comes to restaurant marketing and branding. The idea: to send targeted messages to the smart phones of likely customers as they travel near a restaurant location.

The web server that decides which ads to send is informed by particular situations — including the local weather — as well as the browsing history or other applications running on the phone. The ads and messages themselves can be managed
via the central IT operation of a large restaurant chain. Central IT also can take advantage of a number of location-based social networks, including Foursquare and Facebook Places, to spur customer interest and promote brand loyalty.

There are dozens of vendors in this space (Google “Local Online Advertising Conference,” for starters), and the tools and products they offer fall into several different categories, including mobile app development, social media monitoring and payment systems. The wide and varied field makes it difficult for operators to craft a coherent technology plan.

In issues to come, we will try to help by drilling down into separate geofencing categories. In the meantime, here are some noteworthy, real-world examples to illustrate:

Outback Steakhouse wanted to increase local awareness and drive customers to take advantage of its Wednesday dinner specials at five Indianapolis locations. Outback tapped Manhattan-based xAd (www.xad.com), a mobile marketing firm, to create mobile ad banners and target them via historical and real-time search data from the phone’s browsing history and Web cookies. Ads showed the targeted consumer just how far he or she was from the nearest restaurant, along with details of the special menu offerings. Internal metrics and increased foot traffic both exceeded Outback’s expectations.

NO MORE PAPER PUNCH CARDS
Geotargeting apps can also be combined with digital wallets (credit or credit-card numbers stored via smart phone), something that Portland, Ore.-based Urban Airship (www.urbanairship.com) is working on for several retail customers; this can just as easily include two-for-one deals or a free-dessert digital coupon. “No more coupons or 10-visit punch cards left at home,” says Corey Gault, Urban Airship’s director of communications. “Early studies have found that mobile coupons are redeemed at 10 times the rate of paper coupons.”

Another approach: Using social media management tools to carefully customize your digital marketing campaigns to particular geographies and retail locations. That’s what Applebee’s is doing, using the Raleigh, N.C.-based Expion (www.expion.com). With more than 1,600 locations and 5,000 Expion users, the chain has set up dynamic social media content that is posted to the Facebook and Twitter accounts of its individual restaurant locations, but can be administered centrally.

55% of cell phone owners say their phone is a smartphone. (Source: Pew Internet & American Life Project June 2013)

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Expion’s social media management software enables an IT department to centrally manage a collection of postings to its individual restaurants’ varied social media accounts. Messages and offers can be “localized” in Facebook by posting to individual “friends” based on profile location, or to chosen properties.

For more on Location-based marketing, see Then > Now > Next on page 20

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28% of OpenTable’s bookings are made from mobile devices. (Source: Matt Roberts, Open Table CEO, in the Economist Oct. 2012)

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Loss Prevention Takes the Clouds-Eye View

With hosted applications deployed as real-time, data-combing detectives, fraud is detected and discouraged, loss tolerances lowered across the chain.

As recently as five years ago, loss prevention in restaurants was mainly a labor-intensive consulting service. A comptroller might have audited each unit two to four times a year, looking through receipts and inventory to make sure stock hadn’t gone missing, or running shift reports to manually spot servers or cashiers whose overuse of coupons, for example, suggested fraud.

Today, the detective work is done by dedicated software that automatically sifts the data mined out of point-of-sale systems on a daily or hourly basis. Sometimes it’s done so close to real-time that the offending parties are still on shift when the fraud or theft is detected.

“If you own 50 restaurants and someone steals 25 bucks from you in each one of those, the numbers add up real quick,” says Chris Ball, president of Xformity, Altametrics’ (www.altametrics.com/xformity) recently acquired business intelligence division. “You don’t have time to look at these lagging indicators — at what happened last month.”

At the forefront of loss prevention technology, the pervasive move to hosted applications allows large chains to deploy without major investments in servers or storage, and to track events and amounts all the way from the aggregated, chain-wide level down to the individual check. At the very edge, video surveillance clips can be tagged and indexed by transaction ID, allowing managers to quickly retrieve visual verification of fraud or incompetence to go with the drilled-down data evidence. Two minutes of incriminating video can then be plucked out of 720 recorded hours at the touch of a button.

EXCEPTION CONDITIONS = SUSPICIOUS BEHAVIOR
Like human detectives, loss prevention software looks for suspicious behavior: in data terms, exception conditions. These applications simply need to be told what “normal” is, through entered business rules, and can take action when events...
fall outside those parameters. In the example Ball provides, 10 minutes after deploying Xformity to analyze a unit’s POS transactions, a system found nine meals coded as “manager meals” — all comped, and all time-stamped within the same half hour. Certainly, more than a normal manager could eat in 30 minutes.

**DEFINING QUESTIONABLE BEHAVIOR**

Suspicious behavior can be defined and revealed in unlimited ways: excessive coupon use or voids, statistically improbable birthday discounts, double-swiping of credit cards, excessive cash overages or shortages, and cash-to-credit ratios that seem out of whack. If, for example, one bartender’s percentage of cash transactions comes in way under average, it may point to skimming. Xformity can also report when credit card numbers are manually entered; too many of these suggest the use of a stolen account number.

In many cases, the beauty and the ROI of these LP applications lie in their ability to show a whole region’s status in one aggregated view. Grid reports can show at a glance which locations, shifts or employees are racking up too many exception conditions, and each cell can be expanded to show event-level details and notes.

Rob D’Ambrosia is CEO of CTUIT (www.ctuit.com), another name in restaurant analytics software. He cautions that there’s an art and a science to setting up exception reporting thresholds. One property’s exception condition may be another property’s business as usual. “Even restaurants in the same brand with the same menus may require different thresholds,” he says. “You may see lots of coupon use in a business district, but very little in the suburbs, where lots of traffic comes in after a soccer game.”

Getting back to those nine manager meals, identifying the cashier on duty at that shift was extremely straightforward. “You can approach...

“If you own 50 restaurants and someone steals 25 bucks from you in each one of those, the numbers add up real quick. You don’t have time to look at these lagging indicators — at what happened last month.”

– Chris Ball, president of Xformity

[Continued on page 18]
that person and he may explain it away as a glitch in the POS system or a decision to keep customers happy by comping a certain number of meals,” says Ball. If the excuse is valid, it can simply be noted in the manager’s log and attached to that staffer’s digital folder.

VIDEO VERIFICATION — FROM A DATA WAREHOUSE IN THE CLOUD

And if the excuse doesn’t wash? That’s where Xformity’s video integration, with availability due by end of 2013, can come into play. When Xformity identifies an exception condition in Altametrics’ eRestaurant POS data, it flags the transaction for the manager’s review. When those flagged transactions are batched up and reviewed, one button on the review screen offers to play the relevant clip recorded by the surveillance camera associated with that register. After viewing the clip, the manager has the subsequent option of sending it to Xformity’s video storage warehouse in the cloud. He or she can also switch to other cameras that may have been recording at the same time, effectively following a person of interest from counter to kitchen or back office.

Because the clips are indexed by transaction number and time stamp, they are easily retrieved to show the details of any particular transaction anomaly. In the case of the nine manager meals, they might show nine friends all lining up and taking freebies. They could also show customers paying an unofficial “business partner” who in that case would have pocketed the cash.

After a few months of such incidents, word spreads among unscrupulous employees. Operators begin to measure success in true prevention instead of detection, and loss tolerances are lowered.

By itself, video surveillance in restaurants is not new. Ball notes that some properties achieve ROI on cameras and DVRs simply by reducing their insurance premiums, as video helps protect them from fraudulent “slip-and-fall” lawsuits. But by integrating video clip storage with exceptions in transaction data, Xformity’s hosted service enables operators to zero in on the troubled stores, shifts and staff members out of an aggregated data repository of an entire restaurant brand, or group.

TRACKING RESOLUTION

Of course, it’s not just those who touch cash that operators need to be concerned about. Equally vital is checking up on follow-through. You can’t just ask what’s causing revenue leakage, says David Bennett, CEO of Mirus (www.mirus.com), a company with a long history of hosted foodservice applications. “You have to ask if anyone is doing anything about it, and make sure they’re not doing anything past the point of diminishing returns.”

Mirus’ Sentinel product, says Bennett, routes exception event alerts to the assigned manager. It also keeps track of the type, speed and percentage of resolutions accomplished. “Resolution” can take the form of training, coaching, discipline or even termination.

“If resolution is always ‘training,’” says Bennett, “then maybe the manager is not really digging into the issues. Or maybe a new training program is required.” This aggregated, closed-loop feedback is valuable at the district manager level and higher up the chain of command.

Mirus’ service includes staff coaching. The company instructs clients not to overreact to a single event, but to look for patterns, to see if a server, for example, continually exhibits the same technique. In our experience, when people are consciously stealing, they tend to find a method that works in which they don’t seem to be caught, and they tend to repeat it over and over again.

“I think our clients have seen that once employees see the depth to which they’ll be held accountable, it’s not unusual to see significant numbers of folks jump ship. And that’s absolutely what needs to happen; you have to get rid of the people who are conducting the fraud, and it tends to happen fairly quickly.”

– David Bennett, CEO of Mirus

“I think our clients have seen that once employees see the depth to which they’ll be held accountable, it’s not unusual to see significant numbers of folks jump ship,” says Bennett. “And that’s absolutely what needs to happen; you have to get rid of the people who are conducting the fraud, and it tends to happen fairly quickly.”
Drive-Thru Gets Game(ification)

Our first reportorial pass through drive-thru tech was kind of a snooze. We found the basic tools — order confirmation boards, line-busting order takers, headphones — had been around for a decade or more, their news more incremental improvement than game changer. We'll get to those in a minute.

Then someone reminded us that the customers in the car line are also packing smart phones, participating in the same mobility phenomenon as those sitting at tables or walking around the mall. They, too, can click open SMS texts, scan QR codes or type in URLs.

In BenBria’s (www.benbria.com) Loop™ customer feedback application, now being tested by A&W Canada, customers are asked to “take three seconds to tell us how we’re doing.” In-store, that’s asked via tent card on the table or signage with a link to the web app, or a free-standing kiosk running the app. In-car, that’s on the menu board, bag insert or printed on the bag. According to Nancy Wuttunee, Senior Director, Operating Excellence at A&W Canada, more than 50% of their sales are generated from drive thru and take out.

The web app under that link poses only three questions, with thumb-up/thumb-down answers. “Was your food hot and tasty?” “Was the service fast and friendly?” and “Was the restaurant clean?”

These questions really can be answered in three seconds. And results just as quickly added to a digital scoreboard, posted in the kitchen and also within customer sight. That visible, dynamic score is the gamification “sauce” that motivates staff to give customer service their A game. Wuttunee says it also drives an unheard-of customer takeup rate, while alerting managers to resolve problems before they show up on Yelp. Managerial reports aggregate this information over time, and questions can be changed to test market new promotions, menu items, or anything else.

Yes, line-busting has discovered the tablet, and now employees may come out to not only take the order, but receive payment. Customers can sign the screen or credit card slip (with a portable printer) then and there. (If you use this technology, find a tablet that can be read in direct sunlight, won’t break if someone drops it, and has a strong wireless connection that isn’t likely to be lost.)

Order confirmation boards have become easier to install and more energy-efficient. Systems now come pre-configured with their own microphones and speakers, use a single Category 5 cable to run both data and power and can be installed in an afternoon instead of two or three days, according to Bryan Harrington, president of SunrisePOS (www.sunrisepos.com), Huntington Beach, Calif. Hyper-Active Technologies (www.gohyper.com), Pittsburgh has installed more than 600 such systems for Taco Bell, Panera Bread and Dairy Queen since February, according to Scott Marentay, VP operations.

Another thing you’re going to see on drive-through boards: high-definition TVs. These will feature a changing and more mouth-watering display of menu items, as well as order confirmation. Panera Bread is one of the first to try it.
A look behind, ahead, and in the moment at what we mean by...

**LOCATION-BASED MARKETING**

**FACTS:**
Geofencing tools are forecast to reach almost $300 million in 2017.

Location-based marketers take note:
While it varies by city, on average Americans are willing to travel 3.3 miles to get to a desired fast food restaurant, and 7.7 miles for a sit-down destination.

**LOCAL OUTREACH**
- Operators can automatically send ads when someone who’s enabled their phone to share GPS location enters a specified radius or checks into Yelp, Foursquare or Facebook Places within a chosen location. See xAd (www.xad.com), JiWire (www.jiwire.com).
- Operators can design local offers and coupons through the online tools of many third-party providers. See Ethor (www.ethor.com), Silverpop (www.silverpop.com)
- Third-party providers disseminate offers through the operators’ own social media and websites, emails, text messages and branded mobile apps. See Expion (www.expion.com)
- Credit card-linked third parties outsource the offer and the whole discount-applying process, eliminating slowdowns at the POS; see FirstData’s Offerwise (www.firstdata.com)
- POS integration shows you who redeemed their coupons, how many and from where.

**CASE IN POINT:**
Dairy Queen’s mobile banner ads, appearing on the mobile Fandango movie app. When clicked, the ad uses the phone’s GPS to present a map of the nearest Dairy Queen store with an Orange Julius inside.

**LOCATION + CONTEXT:**
By tracking the GPS locations of smart phones over time, Big Data purveyors and ad networks collect the demographic characteristics of a place with a time of day or week, or an anonymous person over time. Then mobile ads not only target the John Doe on a certain city block, but the John Doe who is at work vs. the John Doe at play, coming out of church, or leaving the doctor’s office — or the John Smith who is a frequenter of casual sit-down restaurants. See PlaceIQ (www.placeiq.com), Sense Networks (www.sensenetworks.com).
LOCAL FOOD SUPPLIERS JOIN ONLINE MARKETPLACES

Get ready for online wholesale food purchases. Foodem (www.foodem.com), a B2B site that matches suppliers to restaurants, hotels and other wholesale buyers, launched in May after closing a $600,000 seed round. Sellers pay to list their offerings, reach new customers and lower their logistical costs by staying local. Purchasers get the opportunity to assess a wide range of products and food from multiple suppliers.

Based in Baltimore, the company says it is seeing particular success in the metro Washington, D.C. area. Another contender in this space is Localvore (http://localvore.econtechsys.com), also based in the D.C. area. This online marketplace is hoping to gain momentum through a partnership with the Restaurant Association of Metropolitan Washington, and to build in logistical systems that match transactions with transport options.

SOCIAL MEDIA CLIPPING, REPORTING SERVICE

newBrandAnalytics (www.newbrandanalytics.com) is a service that pores through the daily avalanche of social media feedback and review sites, looking for your restaurant’s mentions. It then evaluates and distills what it finds into a quick-take, actionable dashboard of information. Want to know which ingredients, promotions, locations, items and servers generate the most comment on Yelp/Open Table/Twitter/TripAdvisor, etc. and whether it’s good or bad? See nBA’s summary word clouds. Click on a word and drill down.

Natural language processing extracts the issues and sentiment on a first pass; humans review for QA. Alerts, reports and customized dashboards show up on an executive’s or general manager’s mobile, tablet or PC. Perhaps most interesting: the service reports the relative strength, in online impressions, of a commenter’s clout so you can tell true influencers from a random sourpuss.

The 7.2 million who used Yelp’s mobile apps at least monthly in the first half of this year account for 40% of searches. (Source: Economist, Oct. 12)
“Those features are targeted for delivery in our next release. We will show you our product “roadmap” in tomorrow’s morning session.”

1. Our salespeople will be busy adding the missing items into the roadmap tonight.

“We are POS agnostic. Our system works with any point-of-sale system.”

2. It works with any POS system for which we build the integration and get cooperation from the POS vendor. We are really only integrated with a few different systems in production.

“Our product has that feature.”

3. But it’s still in development or only in pilot test at a single customer site.

“Our product is ‘cloud-based’ and written in HTML5. You can run it anywhere.”

4. But we don’t dare run it over the Internet for this presentation. The application is too slow over the Internet, so we brought a local server. (And by the way, HTML5 is not yet here. Everything is currently being developed in HTML4 with CSS3, so don’t expect it to run on every hand-held or OS.)

“We can provide you a list of all of our customers.”

5. But we won’t. If pushed, we will exclude those that will provide a bad reference, claiming our agreement prevents us from disclosing their names.

“We didn’t bring all of the components necessary to demonstrate that particular functionality.”

6. We didn’t bring the components because they don’t exist.

“That feature is in our plans and we are just designing it, so this is perfect timing for you to influence the design with your experience.”

7. We don’t even understand this feature well enough to insert it into our roadmap tonight, so we will distract you with flattery.

“We have extensive training and reference documentation. Most of it is available online.”

8. But we don’t update the documentation and haven’t for years. We send you separate “release updates” when new software versions come out. Ultimately, you will have to create your own training materials.

“We are just finishing up another client and we will be able to dedicate resources to your additional requirements.”

9. Such dedicated resources bring us no additional revenue. Our staff will juggle your needs alongside revenue-generating efforts.

“Our product has been built with all of the leading-edge technology, enabling us to be more quick and agile than competitors.”

10. However, it is built atop legacy code that we don’t dare touch for fear of breakdown. We have no documentation that explains what it does, let alone how it does it, and the last employee who did left two years ago.

**MORALS**

- **Buy “features” not “futures.”** If current features don’t justify buying the product, wait!
- **“Trust, but verify”— and on their turf.** Give the vendor the home-field advantage. If they can’t demonstrate what you want at their own facility, then it probably doesn’t exist. This also gives you a chance to see the breadth of their operation, and eliminates the “I don’t have that component with me” excuse.
- **Social media tells all - seek your own reference customers.** Post queries in Linked In forums and the relevant Spiceworks groups (community.spiceworks.com) to reap the benefits of your colleagues’ experience with the product or service you’re considering. (Think TripAdvisor for software.)
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