

NATION'S Restaurant News®

THE NEWSWEEKLY OF THE FOODSERVICE INDUSTRY

VOL. 38, NO. 10

PUBLISHED EVERY MONDAY. A LEBHAR-FRIEDMAN PUBLICATION <http://www.nrn.com>

MARCH 8, 2004

OPINION

Riding wave of future can be risky; smart tech choices help operators avoid wipeout

By Jim Melvin

During 20 years in this business, I have seen far too many restaurant owners waste far too much money on well-intentioned efforts to embrace the latest restaurant technology.

To be sure, being the first to adopt something new can offer the savvy restaurant operator a competitive edge. And new products are offered every day that promise to improve operations or cut costs. So why do so many cutting-edge projects fail to deliver?

The answer is simple. The adoption of expensive technology for technology's sake doesn't make any sense or profits. Restaurant owners — particularly multiunit operators — need to be more assertive in deciding what works best for them, from open source to industry standards. And technology providers need to create new solutions that clearly deliver business value.

There's no question that the dizzying number of advances in information technology can be overwhelming. And keeping up to date with the latest IT trends isn't enough to take your restaurant systems smoothly into the future. But it is possible to choose new technologies with staying power. Here are some tips for making sure the money

Restaurant owners — particularly multiunit operators — need to be more assertive in deciding what works best for them, from open source to industry standards. And technology providers need to create solutions that clearly deliver business value.

you spend on information technology today will give you a good return tomorrow.

Build on what you have. Make the most of your current IT investment by reusing your systems rather than replacing them. Sure, many hardware costs are going down, but the replacement cost of those old terminals still represents a sizable outlay. If there's life in your existing hardware, update outdated software with new open applications that will run on what you have. Investigate lightweight Web-based software designs that deliver next-generation functionality on limited computing power.

Look for bridges to where you want to be. Success is more likely to be found in a series of small projects with quick wins than a single, large-scale initiative that requires wholesale replacement of your restaurant systems. Work with vendors that create bridge solutions — clever combinations of hardware

and software that extend your existing systems' capabilities. For example, combining temperature and humidity sensors with reporting and alerting software is a cost-effective way to give your old appliances smart new features.

Choose applications that play well with others. Ease integration of old with new by purchasing technologies that adhere to emerging industry data standards. Doing so ensures that your applications can talk to one another in the same language, making it easier to continue updating and extending your restaurant's IT infrastructure. Keep your options open by refusing to buy from vendors that attempt to lock you in to their proprietary systems. They're your data. You should be free to do what you want with them — today and tomorrow.

Take store systems beyond the store. It's a connected world out there, and your restaurant applications should plug into it. The most effective technologies erase physical boundaries and paint a virtual picture of restaurant operations for both in-store employees and employees at remote locations. Real-time operations data delivery to site and corporate computers, pagers, cell phones and text-messaging services allow you to identify and correct problems before they spiral out of control, resulting in a quick return on your IT investment. Look for software that closes the loop and turns

Jim Melvin is chief executive of SIVA Corp., a Delray Beach, Fla.-based company that provides next-generation technologies to the restaurant industry. He is chairman of the National Restaurant Association's Technology Pavilion Advisory Committee.

This article does not necessarily reflect the opinions of the editors and management at Nation's Restaurant News.

OPINION

one-way data streets into broad, two-way information boulevards.

Simplify your support. The more wired your restaurants, the more complex the maintenance, right? Wrong. New enterprise application designs are built for easy centralized support. Integrated application suites reduce the number of hardware and software platforms your IT staff must manage. Consider all of the system components that make up a single foundation technology for running your operations. The more homogeneous the foundation, the greater your support savings.

Think outside the point-of-sale box. There's more to your restaurants' operations

than just accounting. There should be more to your store systems as well. Technology can support corporate initiatives in areas such as speed of service, food safety, loss prevention and energy usage. Expand your focus, and you'll be surprised at the results your restaurant applications will deliver.

A final tip for success: Look for partners rather than suppliers. Today's smart technology companies are finding better ways to work with operators. They provide you with tools that allow third parties to access data and extend the capabilities of their systems. They help you to identify and understand emerging technologies that make the most business sense, not necessarily the most in

sales commissions. They work with you and your unique set of circumstances rather than dictating a take-it-or-leave-it solution that assumes you have no existing investment or infrastructure.

Advancements in technology hold great promise for the restaurant industry. Done right, store systems can save you money and increase profits. Done poorly, they can become an expensive irritant or worse. Remember, technology has value only if it helps you to improve your restaurant operations and ultimately enhances the dining experience of your customers. That's the best criteria for determining which technologies should have a future in your business.