

Getting the Maximum Return for Your Technology Dollars

High Impact Opportunities for Automation

By Jim Melvin, CEO, Apigent Solutions

I have designed many store systems, from point-of-sale to back office to today's managed solutions. If there's one thing I have learned from my years in the software business, it's that operators too often are led down an unproductive path by vendors in love with technology for technology's sake. Unfortunately, cutting edge functionality won't benefit your business and deliver a return on IT investment *just because it's new*.

IT heresy? Perhaps. But you can break out of the "new and improved" trap. Obtain real value from your technology investments by following these guidelines.

1. For maximum impact, automate new processes rather than upgrading existing systems.

When your organization rolled out its first point-of-sale or back office, it significantly changed the way you do business. However, following up that initial implementation with incremental upgrades will never add up to the return you can receive by automating new business processes. There are many innovative technologies out there—sophisticated operations management systems, Internet-based video loss prevention offerings, HACCP compliance tools that incorporate wireless sensors and state-of-the-art reporting for restaurant operators. If you want to achieve maximum ROI, be on the lookout for new IT opportunities.

2. Support core business processes rather than secondary ones.

Traditional technology offerings in the retail/restaurant sector have focused on accounting and cash management. While improved sales

reporting may cut some costs by saving time, generally it is not a process that can drive profitability for the business. Look for automation opportunities that are operations-oriented instead. Better execution of key processes will add to your bottom line.

3. Capture the complete process with your technology implementation rather than stopping at departmental or physical boundaries.

Let's face it. Store systems have little value if the information they gather stops at the store. For example, I recently talked to a restaurant operator who implemented stand-alone speed-of-service timers. Lacking enterprise-wide reporting capabilities, the timers went unheeded. In fact, at many stores employees quit replacing paper in the speed-of-service printers—a worst case scenario of a data collection device going nowhere. Your business flows throughout your enterprise. For a maximum return on your investment, make sure your technology does as well.

4. Automate processes that affect all employee levels for compounded value.

For too long technology has only supported the organization's knowledge workers—a small percentage of your company's personnel. The math is simple. The broader the application of a given technology, the more people it will impact. The more people supported, the greater the return.

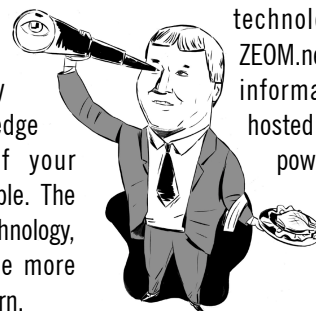
5. Gather information that drives action.

Replacing manual tasks with automation and exception management is the single greatest

factor in achieving maximum ROI. If your systems gather data but managers still have to compute numbers, make comparisons, and assess where changes need to be made, time is wasted and money is lost. On the other hand, automation frees managers from tedious and time consuming information monitoring to focus on the essential, human elements of your business—mentoring employees and interacting with customers. Action can be prompted when and where needed by a system of alerts.

A final observation. Return is tightly linked to the total cost of technology ownership and many companies today are turning to managed solutions providers to lower these costs. Outsourcing can lead to reductions in upfront investment and ongoing staffing requirements as well as a more rapid solution implementation. This combination is a winning approach to increasing your technology's ROI.

About the author: Jim Melvin is the CEO of Apigent Solutions, a managed service provider that offers a variety of innovative technologies, including the ZEOM.net™ enterprise operations information service, centrally hosted back office applications powered by Lawson, and the IntelliKitchen® kitchen management system.



Managing and Mentoring in Real Time

The New Paradigm for Multi-Unit Operators

By Jim Melvin, CEO, Apigent Solutions

I've never met an operator who couldn't improve the profitability of his restaurants by being on-site. From recognizing too much labor on the clock to identifying the optimum time to offer samples, restaurant executives have a clear vision of the best way to manage the business. Unfortunately, as successful chains grow, their senior managers must split their time between more and more locations, leading to less contact with each individual site. While detailed reports may help to some degree, they hardly replace "being there," since information grows old before it is received and can be acted on.

For years, operators discussed the "what if" questions:

- What if you could look into each of your locations from anywhere at any time—and ensure that your business was being run the way that you want?
- What if you could be alerted every time a critical situation started to unfold—and take action to prevent it before it occurred?
- What if you could automate the best practices in your organization—and ensure that every restaurant consistently performed at the highest level?

In other words, what if you could break free from the restrictions of geography and manage your remote sites in real time?

In order to make this vision a reality, operators require a technology for gathering real-time operations information from their stores. They want a reporting, monitoring, and problem notification tool for managing the real-time information once it is obtained. And they need a new model for managing and mentoring geographically dispersed sites.

Today the first requirement—access to real-time information—has been met by technology. The cost effectiveness and ubiquity of the Internet makes

a real-time connection between the corporate office and remote sites feasible for the first time. The result is exciting new applications such as Internet-based video that allow operators to see site operations as they occur. Just as important, evolving XML standards are simplifying the task of integrating disparate legacy systems and uniting stand-alone silos of information into a complete IT infrastructure for operations information.

The second requirement—reporting, monitoring and problem notification—is less readily available from vendors. While Web-based portals or Internet-based sales reporting applications deliver information in real time, they do not enable the move to exception management necessitated by immediate information availability. Imagine having access to every moment of activity at five or fifty or 500 stores. Simply monitoring the data streams would be more than a full-time job. In order to free site and field staff to manage and mentor, routine activities must be automated. Just as important, real-time operations data must be evaluated against defined parameters on an ongoing basis. As the technology identifies out-of-bound conditions, appropriate personnel can be alerted that human intervention is required.

The third requirement—the need for a new model for managing and mentoring geographically dispersed sites—must be addressed by operators as they reinvent operations processes to take advantage of the return on investment possible from moving to real-time remote site management.

NEW SOLUTIONS FOR A NEW SET OF CHALLENGES

To illustrate how real-time actionable information can improve an operator's ability to manage multiple locations, let's use theoretical model of an average quick-service restaurant. The store is part of a 45-store chain, and one district manager is responsible for six stores.

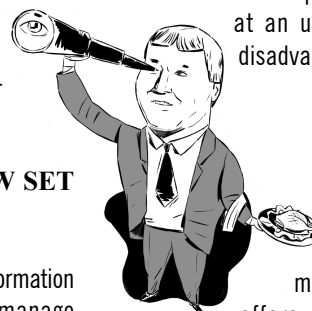
Now let's say the district manager is using a new

operations infrastructure capable of converting raw operations data from his six restaurants into meaningful, actionable information that supports tactical business operations decisions. Furthermore, the district manager receives alerts via his home computer, alphanumeric pagers and Internet-ready phone whenever a business rule violation has been detected. In short, he doesn't have to go look for information; it comes to him allowing him to act immediately as a problem is occurring.

As a result, the district manager is immediately aware if an anomaly occurs. Perhaps it's too much cash in the register, or insufficient or deficient staffing levels. Perhaps the freezer door has been left ajar or food temperatures have dropped to unsafe levels. Or, maybe a store manager fails to open his store on time, resulting in lost sales and increased labor costs. All of these scenarios can now be acted on, in real time, if the company has selected a technology provider—or application service provider (ASP)—that can demonstrate a cost effective and reliable alternative to traditional modes of information gathering.

For example, our company, Apigent Solutions, has developed ZEOM.net™, a subscription-based operations management system delivered via the Internet that incorporates many of the features described earlier. ZEOM.net is but one of the options available to restaurant managers and undoubtedly others will soon be introduced, providing savvy operators with even more alternatives from which to choose.

Given the rapid evolution of technology today, you can rest assured that restaurant managers are being presented with solutions specifically designed to address their needs and demands. Early adopters of these new technologies stand to gain a competitive advantage, while those who maintain a "business as usual" posture may find themselves at an unfortunate but very real disadvantage.



About the author: Jim Melvin is the CEO of Apigent Solutions, a managed service provider that offers a variety of innovative technologies, including the ZEOM.net™ enterprise operations information service, centrally hosted back office applications powered by Lawson, and the IntelliKitchen® kitchen management system.

Apigent
Solutions