INTRODUCTION

Information systems (IS) management is perhaps the most dynamic field in business. Memory capacity is expanding at an extraordinary rate and new hardware and software systems are becoming available every day. Keeping up with the changes in this field is certainly more than any food and beverage outlet manager or owner can be expected to do, given the 60-hour (or more) work weeks that are par for the course in the industry. This primer is intended to give managers and owners a brief overview of the systems available to them that will be helpful in managing the information they need to run lean, profitable food and beverage businesses.

Once upon a time the use of information systems was only for larger, multi-unit operations. These systems provided the large companies with a strategic advantage that allowed them to take advantage of their capabilities to operate more efficiently than smaller, independent restaurants. That is no longer the case. While information systems have become commoditized and no longer necessarily provide a business with a strategic advantage, the lower cost and greater capabilities of today's systems mean that operating without them will put a restaurant at an extreme competitive disadvantage. This primer will therefore not only survey the types of information systems available to restaurant operators, but also explain how they can be used to maximize profitability.

TYPES OF OPERATIONS

The type of restaurant being run will have a significant impact on the operation's IS requirements. While it was once true that smaller operations could not expect to glean the same sort of information from their information systems as larger operations, in today's business climate, the ability to use IS for in-depth analysis is essential, even for smaller operations. Where larger corporate or chain operations differ from small stand-alone restaurants is in their need to transmit their data to a wider audience. And while cost was once a major consideration for independent restaurants—especially start-up operations—the functional ability of IS software has increased greatly in the past few years and the advent of cloud computing (essentially renting functionality stored on someone else's computer) has also contributed greatly to the availability of highly functional systems for relatively little cost. In any event, the amount of money to be saved by having functional IS is easily greater than the cost.

Small stand-alone operations are distinguished by the fact that they are stand-alone operations; they need not transmit sales and expense data to any entity outside their own buildings. Like all businesses, of course, stand-alone restaurants need to communicate with purveyors and credit card service providers electronically, but the ability to transmit sensitive company data is not generally a requirement for these operations. Larger,

multi-unit operations do have to transmit such data, and the necessity for doing so creates new IS requirements. Hotel restaurants have even greater IS requirements as these restaurants have to integrate their systems into existing guest room systems and larger networks that include many dissimilar sets of data.

Again, while it was once true that stand-alone operations did not have ability to use IS strategically to maximize profitability in the way that larger operations could, and while hotels often did not place a premium on food and beverage profitability as they had a number of different profit centers besides their restaurants, the increase in the capabilities of information systems, coupled with the reality of the new economy, has made maximizing IS value essential for all types of operations.

A note about franchise arrangements is in order here. Quite often franchisors will require that franchisees maintain particular point of sale (POS) systems so that data will be kept uniformly throughout the network of restaurants. These POS systems have costs associated with them; therefore knowing whether a particular system is required and its cost is a very important consideration in entering into any franchise agreement.

FRONT OF THE HOUSE SYSTEMS

Food and beverage information systems may generally be broken down into two types of system: front of the house (FOH) and back of the house (BOH) systems. Front of the house systems are those that involve the maintenance of guest contact. Therefore, FOH systems include the POS system, table management systems, reservation/wait list management systems, and important parts of the labor management system (most often integrated into the POS). By far, the most important of these systems is the point of sale system.

The POS system is the core system for F&B operations, managing, among other things, the ordering and delivery of all menu items in one or more restaurants and/or bars. Every food and beverage information system must include a point of sale capability. Therefore the POS must be able to handle multiple menus and pricing structures if a restaurant offers happy hour, early bird, lunch/dinner, or any other varied pricing and portioning options. The essential function is to allow servers to transmit guest orders to kitchen personnel for preparation. To maximize efficiency the POS must allow the server to quickly and concisely enter all information pertinent to the guest order, including side dish choices, salad dressing options, doneness, and any special requests the guest might have. The important thing to remember is that this system should work to keep conversation between cooks and servers to an absolute minimum.

