



BACK OF HOUSE

An Expert Guide to POS Systems for Restaurants



The following guide was designed to offer a in depth view of POS systems for restaurants. With an estimated 87% of all restaurant operators employing a Point-of-Sale (POS) system, this tech-enabled solution has become an essential driver of efficiency, accuracy, and productivity in the food services industry.

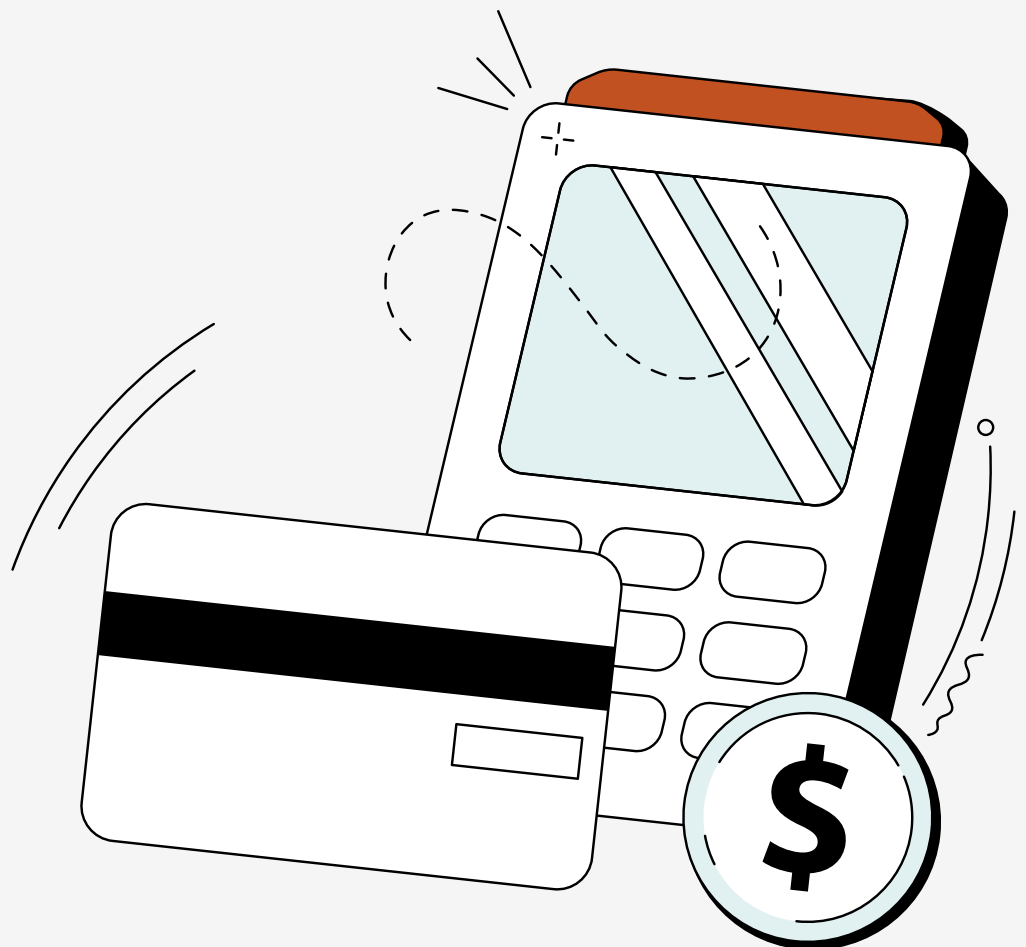
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A Restaurant POS system is the hub of the technology wheel. Any additional software purchased for your restaurant will most likely require an interaction with the POS, making this the most important tech purchase.”



Spencer Michiel

Back of House Consultant





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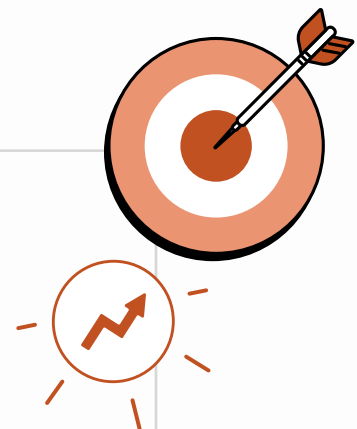


WHAT IS A POS?

A POS (Point-of-Sale) system is a combination of hardware (i.e. POS terminal, cash drawer, kitchen display, tablets, etc.) and software (e.g. payment processing, inventory management, and sales tracking applications) that allows businesses to complete sales transactions, manage inventory, and perform various business operations at the point where sales are made.

WHAT ARE THE BENEFITS?

- Accurate and efficient order management
- Integrated payment processing
- Automated inventory management
- Insight into sales trends
- Data-driven customer relationship management





What is the Difference Between a Legacy & Cloud POS?

LEGACY POS

- Require on-site servers, backup servers, and access terminals
- Demand a high upfront implementation fee as well as ongoing service fees
- Can only be installed by a specialized professional due to their complexity
- Are more vulnerable to damage, theft, or system failure due to their local storage
- Must be constantly manually backed up, updated, and secured by the customer
- Can be more expensive, time-consuming and logistically challenging to scale due to the absence of a centralized platform

CLOUD POS

- Are hosted on remote servers and may be accessed via the internet
- Come with lower upfront costs and predictable subscription-based pricing models
- May be deployed faster and with greater ease through the current generation of plug-and-play applications
- Provide data storage in off-site data centers with robust security measures and sophisticated remote access controls
- Execute automatic updates to ensure the system is always up-to-date.
- Provide real-time and remote visibility into data, analysis, and data reporting
- Allow for easy scalability including the addition of new devices or locations with minimal effort and cost



Challenges Restaurants Face with Inefficient or Outdated POS Systems

Legacy POS systems predate the proliferation of cloud computing and therefore lack many of the advanced cloud computing features used in leading-edge POS systems.



81%

of restaurant operators rely on “legacy” POS systems.

State of Restaurant Tech Report



Maintenance burden

Older systems often require internal maintenance. This means customers are responsible for conducting their own security checks, system upgrades, and software updates.



Data security risks

Reliance on local servers and onsite redundancies means that your data is at greater risk of security breaches, outages, and physical damage.



Limited scalability

Legacy POS systems lack the centralized platform required to facilitate easy multi-unit expansion.



Complexity

The preponderance of local hardware required to manage a legacy POS system can make implementation and maintenance complicated, costly, and potentially disruptive to your operation.



Cost

In addition to the potentially hefty upfront cost of implementation, restaurant operators using legacy systems must also manage regular monthly service fees.



Cloud-based POS solutions

Implementing or updating to a cloud-based POS system can provide your restaurant with a host of solutions to the challenges highlighted above that would be unavailable or less effective with a legacy system. Below, we take a closer look at some of these solutions:

Order management solutions

- Digital order processing streamlines the order-taking process.
- Table-side ordering with tablets enhances the customer experience by reducing errors and lowering wait times.
- Kitchen display systems improve communication and reduce lag-time between the front of house and kitchen.

Payment processing solutions

- Integrated card readers process payments table-side.
- Contactless payment options speed up transactions and turn tables over faster.
- Secure transaction processing reduces the risk of fraud and data breaches.

Data management solutions

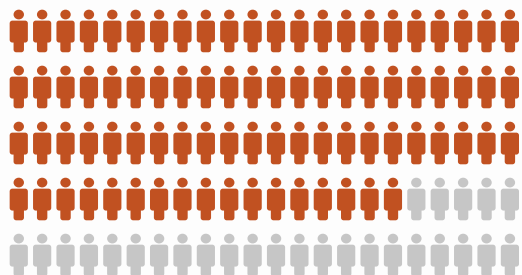
- Remote access to data allows managers to monitor operations from anywhere.
- Offsite data storage ensures data is backed up and secure.
- Real-time reporting provides immediate insights into sales and performance.





Common POS Software Tools

For those operating on outdated POS systems, the current generation of POS software offers a number of sophisticated tools.



75% of restaurant operators anticipate adopting new technology in the immediate future.

State of Restaurant Tech Report

Intuitive and user-friendly interfaces

- Digital menu boards enhance customer engagement.
- Customizable order screens improve order accuracy and speed.
- Real-time kitchen updates ensure timely preparation of orders.

Secure and integrated payment processing

- EMV chip readers provide secure payment options.
- Mobile payment integration makes easy to accept digital payments.
- Secure data encryption protects sensitive customer information and improves legal compliance.

Automated inventory management

- Low stock alerts prevent stockout.
- Real-time stock level tracking ensures the accuracy of inventory records.
- Automated reorder triggers ensure timely replenishment of stock.

Enhanced customer engagement

- Data-driven market segmentation allows you to effectively target customers.
- Personalized target marketing increases customer loyalty and retention.
- Automated loyalty rewards boost repeat business.

Comprehensive reporting and analytics

- Sales reports and forecasts help your restaurant plan for future growth.
- Employee and shift performance tracking allow you to optimize staffing levels.
- Customer preference insights enable more tailored offerings.



Why Update your POS?

- Streamline your order management process;
- Enhance the speed, security, and integration of your payment processing;
- Improve inventory accuracy, reduce food waste, and prevent stockouts;
- Provide data-driven insights to improve customer relations and targeted marketing;
- Improve the overall pace, productivity, and efficiency of your operation;
- Feature simple plug-and-play installation, automated updates, and easy scalability;
- Cost a predictable monthly subscription fee for system, services, and support.



IMPLEMENT HANDHELDS

Restaurants using handhelds are able to turn tables 15-20% faster.





Expert Advice for the Research Process



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Back of House Consultant

IS IT RELIABLE?

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When it comes to your Restaurant's POS system, reliability is a non-negotiable. Uptime is critical, your POS system **CANNOT** crash.”

Uptime and Performance

Most modern POS systems strive for 99.99% uptime. This translates to just 53 minutes of downtime per year. Achieving this high level of performance requires regular updates and maintenance. Be sure your provider offers automated updates and comprehensive support services.

Data Security

- Firewalls, End-to-End Encryption, and Database Redundancy prevent unauthorized access and data corruption.
- Role-Based Access Control limits access to sensitive information from everyone.

IS IT FAST ENOUGH?

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The speed of your POS directly impacts the efficiency of your all your operations and the overall satisfaction of your guests.”

Order Entry Flow

Evaluate how quickly and efficiently staff can navigate the menu, customize orders, and send them to the kitchen or bar using a given POS system.

Taking Guest Payments

Your new POS system should reduce the time guests spend waiting to settle their bills while streamlining your ability to split checks, apply discounts, and process various payment methods smoothly.



CAN IT BE CUSTOMIZED?

“

Look for a POS system can reflect the unique structure of your menu and allows for on-the-fly adjustments.”

Tailored User Interface (UI)

Look for a POS that gives you the power to customize the UI to reflect your menu structure. The result should be a compatibility that reduces errors and increases efficiency.

Terminal Level Updates

The right POS system will allow you to make updates and changes to the menu at the terminal, eliminating the need to access a back office server.

HOW IS THE SET UP?

“

Ensure that your POS provider has a sound and detailed plan for menu building, training, and hardware installation. Poor implementation is often where POS systems fail.”

Menu/Database Construction

A compatible POS system will allow you to tailor the UI to match your menu structure and make real-time updates, ultimately ensuring that your menu and database can be accurately reflected in the POS system.

Training

The right provider will offer comprehensive training for staff and managers including scenario-based tutorials on basic and advanced functions, as well as troubleshooting procedures.

Hardware/Wiring

Ensure that your prospective POS provider offers a reliable internet connection, robust network infrastructure, and the resources needed to strategically place countertop terminals, provide the correct number of handheld units, and ultimately minimize service bottlenecks.



ANY REPORTING CAPABILITIES?

“

A robust, and integrated, back office solution for restaurants is integral to for tightening operational efficiency, providing visibility into performance and facilitating scalable growth.”

Real-Time Data Access

A leading edge POS system should provide you with the ability to view and dissect relevant information in real time at the terminal level.

Comprehensive Reporting

Your POS systems should generate detailed monthly, quarterly, and annual reports on the following:

- Sales Performance
- Revenue Trends
- Peak Sales Periods
- Product Performance
- Employee Performance
- Marketing Campaign ROI
- Promos, Voids, and Refunds
- Catering, Delivery, and Takeout Sales

IS IT AN OPEN ECOSYSTEM?

“

With numerous innovative tech solutions available, it's essential for these systems to be able to connect seamlessly to your POS.”

Technological Integration

The right POS system will enhance the technology stack in your restaurant by integrating fully with various other enterprise management, maintenance, and marketing platforms.

Standardized Data Sharing

Look for a POS system with a strong RESTful API (Representational State Transfer Application Programming Interface). This interface is vital for an open ecosystem. It provides a standardized way for different applications to communicate with your POS system, facilitating seamless integration and data exchange.



HOW CAN I IMPLEMENT IT?

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Worried about finding the best POS system for your restaurant? Back of House can help.

Whether you're looking to upgrade from pen and paper to a digital system, or update your existing POS system to improve operational efficiency, resource allocation, and customer satisfaction in your restaurant we're here to help make the process easier for you.

[Check out these industry-leading POS System Vendors](https://backofhouse.io/pos-systems)

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Need POS Advice? Meet Miro!



Taking a DIY approach isn't for everyone. If you'd like some help figuring out how to choose the right POS System, our Back of House experts are here to help.

[Schedule a free Discovery Call today.](#)