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## Integrated Back Office Hospitality Systems

Streamlining business processes for complete  
visibility into your business.

The background of the entire page is a photograph of a restaurant interior. Several people are seated at tables, some are eating, and others are talking. The lighting is warm, and the overall color scheme is dominated by an orange overlay that covers the entire image. In the center of the page, there is a white rounded rectangle containing the Table of Contents.

## Table of Contents

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# Introduction

Consider your back office purchasing, accounts payable, inventory management and recipe and menu engineering technology. Are you currently running disparate systems and constantly working to deliver data from one system to another? Do you port data between systems, perhaps even resorting to manually inputting data – or are you constantly maintaining your integrations to ensure that nothing is slipping through the cracks?

If this sounds like your back office experience, you have an opportunity to vastly increase your efficiency, eliminate dual keying, optimise workflows and deliver better business insights. Hospitality demands that you are working not just hard but smart as you strive to deliver engaging and repeatable customer experiences.

If you are working with a system comprised of standalone components, you're missing out on many benefits. These systems have deficiencies for your business including:



## **Lack of tools to optimise workflow:**

- Scarcity of advanced analytics and exception reporting.
- No forecasting data to help with suggested ordering or availability reporting.
- No data sharing to facilitate planning and menu engineering.
- Absence of integrated food management functionality and wastage handling.



## **Error-prone data entry, rekeying and data connection issues:**

- Paper invoices requiring coding and manual entry in the ledger.
- Numerous different interfaces and file exchanges.
- Electronic documents that need to be reformatted and recoded.
- Multiple versions of the 'truth' which delays completion of the P&L.
- Paying on invoice and high accrual volume.



## **Difficult to use**

- Challenging and time-consuming to get single version of the truth.
- Multiple logins and no mobile functionality.
- Many different sources of data.

Imagine how this would change with one version of the truth, as Point of Sale (POS) systems seamlessly interface with menu prep, HR, scheduling and purchasing. Integrated back office systems offer a very tangible way to streamline your operations, remove error and deliver savings to the bottom line. With financial system integration, data is sent directly from local operational systems to central financial systems without having to be input manually. This includes everything from register records to payroll information to invoices. Integration of back office systems enables you to increase productivity and drive profitability by providing:



### Complete visibility

Seamless access to data allows you to get a view of everything happening in your organisation. You can get full control of your business and the confidence to make better decisions faster.



### Reduction of administration and elimination of errors

Fully integrated systems ensure data flows through the system correctly, strengthening your analytics power and removing errors to give you one version of the truth and eradicate dual entries.



### Ability to better serve customers

Automated workflows enable you to get your managers out of the back office and in front of customers with staff – helping them provide customers with great experiences and creating return visits.

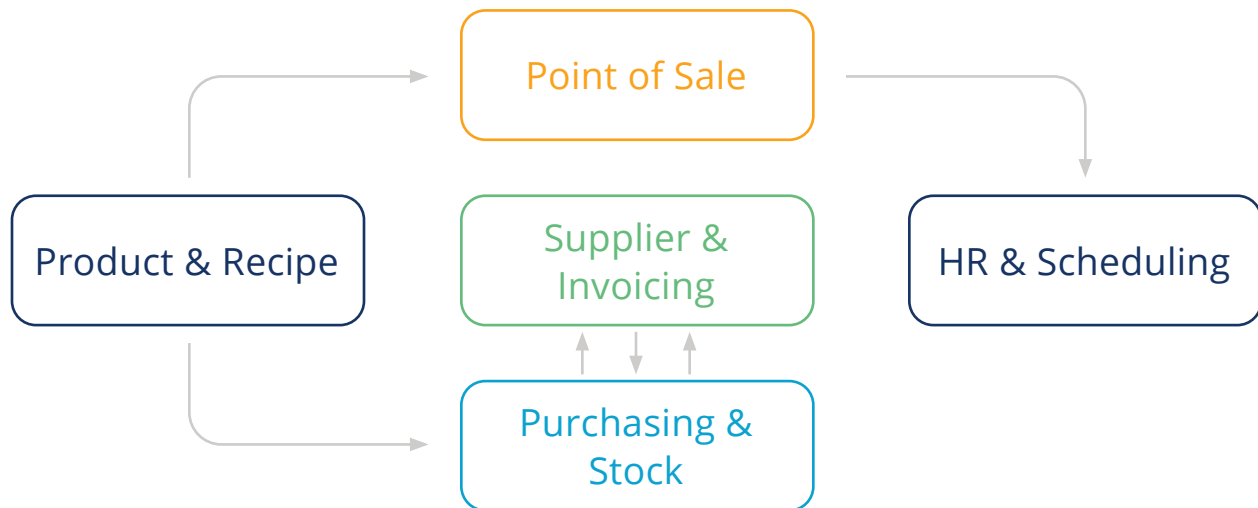


### Ability to track your supplier spend more accurately

Access to full information about your spend with suppliers ensures you take full advantage of available rebates. Full information on supplier performance also helps negotiate the best deal possible.

## Disparate systems and integrations

If your platform currently consists of disparate systems, each of your functional areas exists in a silo and is disconnected from other systems. Individual software solutions require interfaces to link them. These integrations can be difficult to build and maintain, causing you to be reluctant to upgrade any of your standalone systems for fear of having to reintegrate all the different components.



In this model, a lot of data is moving back and forth between systems, requiring integration or manual data entry – which introduces opportunity for error. In the diagram above we see a number of integrations:

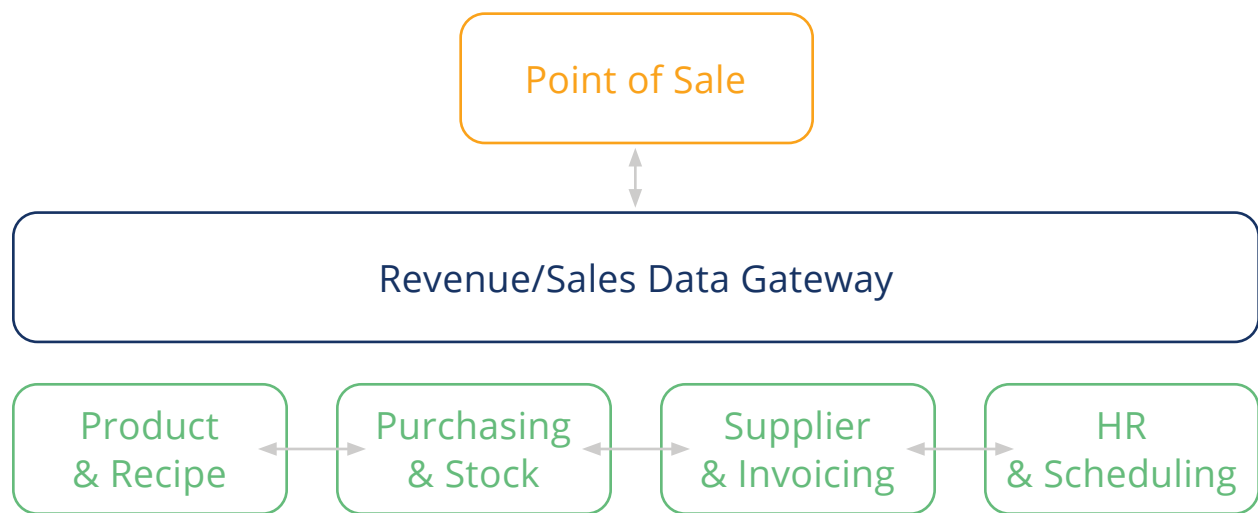
Data	Integrations Required
Sales Items	from Product & Recipe to Point of Sale
Net Sales	from Point of Sale to HR & Scheduling
Time and Attendance	from Point of Sale to HR & Scheduling
Ingredients and Prices	from Product & Recipe to Purchasing & Stock
Basic Recipe Data	from Product & Recipe to Purchasing & Stock
Orders and Acknowledgements	from Purchasing & Stock to Supplier & Invoicing
Advanced Shipping Notifications, Proof of Delivery	from Supplier & Invoicing to Purchasing & Stock
Invoices, Credit Notes, Accruals, Other Super Journals	from Supplier & Invoicing to Purchasing & Stock



## Integrated system dataflow

There is another, better way: invest in one cohesive platform that unites your back office systems and easily integrates to your point of sale solution and other key applications. With all of your departments working together on the same system, it becomes much easier to manage your entire enterprise. With data and information seamlessly flowing from one tool to another, each team has what it needs to do its job successfully.

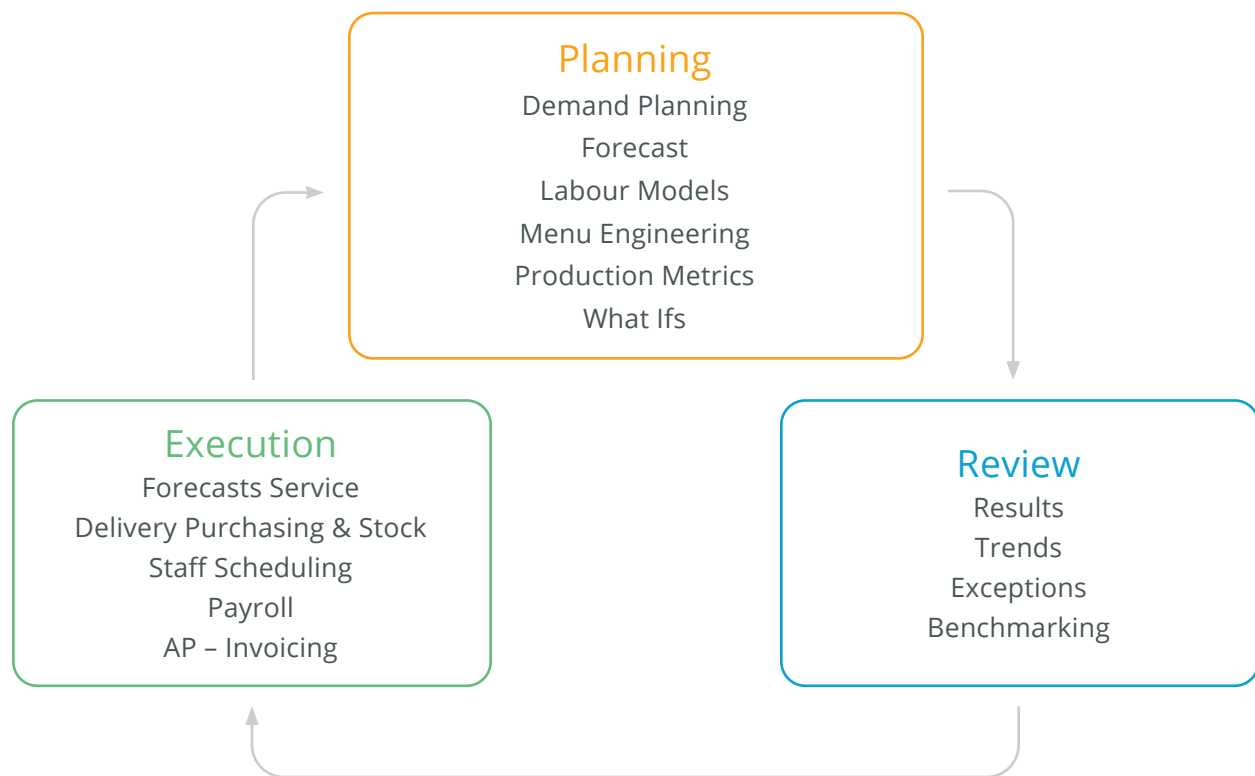
IT, Operations, Finance, Marketing and Purchasing can collaborate and simplify processes and workflows. Managers, employees and head office can connect and work towards the same goals with the same information. Here's what it looks like:



The robust interface connecting the back office to POS in the front of house ensures that all data is kept up-to-date and that all departments are truly working from a single version of the truth – which is instrumental in good organisational communication and effective decision-making.



One key element that delivers value in this model is the data sharing or data fabric that exists in the back office solution suite. This enables Single Sign-On (SSO) and true data sharing and supports publish and subscribe functionality. An integrated approach supports a continuous workflow of planning, review and execution for many of your task requirements.



An integrated back office can help you deliver on your vision by enabling:

- Demand forecasting
- Task automation and push notifications
- Labour productivity
- Employee engagement
- Operational excellence
- Work by exception
- Supplier KPIs

An integrated back office can help you deliver on your vision by enabling:



**Designed and optimised for mobile devices** | With a mobile workforce, you need solutions that your employees and managers can use on the fly.



**Manager functionality** | Your managers require additional functionality to do their jobs effectively. Providing them with apps that take into account their specific needs and workflows increases their productivity and effectiveness. Apps should be available on a tablet or phone and include an at-a-glance screen and to-dos.

## Integrated system use cases and workflows

Fully automate all operational reporting for sales, POS, HR, labour, stock and more, including these key workflows.

### Demand Forecasting

Demand forecasting is one of the key workflows that is enhanced and enabled by using an integrated back office system.

Information flowing in:

- Transactional POS data.
- Third-party data including revenue forecast, covers, rooms, arrivals, etc.
- Data from algorithms including weather, benchmarking, trends and events.

This data is analysed to produce the Demand Forecast, by sales item and in up to 15-minute intervals. Managers can then overlay their personal knowledge, including local events to support inventory and staffing decisions.

### Information flowing out

- Inventory including suggested orders and availability, informed by algorithms for safety stock, supplier lead time, confidence and central adjustments.
- Workforce deployment information by role and by area, informed by algorithms for fixed tasks and prep, minutes per activity, multi-skill info and smoothing.
- Analytics presented on dashboards for easy analysis and fast decision making.





## Suggested Ordering

Using an integrated system allows you to replace all manual operational reporting. Automating this task saves managers 45-60 minutes each week. You can activate this solution site by site. A forecast can run in the background for comparison and your manager or chef can still have final say on orders.

Information flowing in:

- Transactional POS data, informed by trend algorithms.

This data is analysed to produce the Demand Forecast, by sales item by site on a daily basis.

Information flowing out:

- Inventory including suggested orders and availability reporting, informed by algorithms for safety stock, confidence factor, central adjustments, forced drops and subject to head office input – as well as informed by algorithms for stock on hand, stock on order, min/max and supplier lead time.
- Workforce deployment information by role and by area, informed by algorithms for fixed tasks and prep, minutes per activity, multi-skill info and smoothing.
- Analytics presented on dashboards for easy analysis and fast decision making.
- Supplier order, subject to manager adjustment.

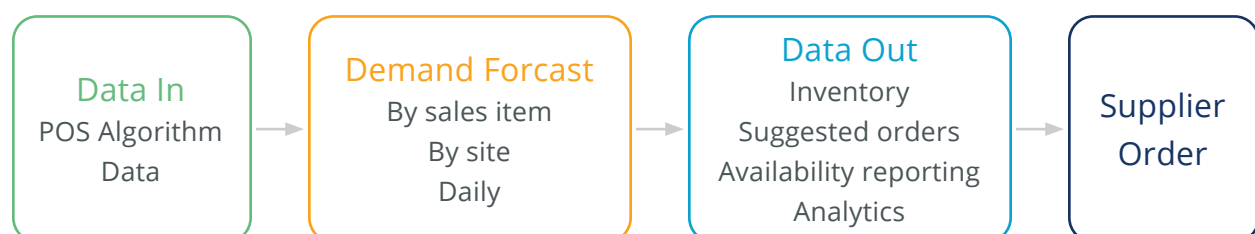
### Other use cases

**Supplier Scorecards** | Gain a view into supplier performance including on-time deliveries, quality of goods/services, pricing, payment and more. This visibility is helpful in negotiating favourable pricing and selecting good performing partners.

**Wastage Tracking** | Get insight into what you use and what goes to waste. An integrated back office system simplifies wastage reporting by linking your sales data with all facets of your inventory and is very helpful in increasing your profitability.

**Improve Customer Experience** | Help guide your customers' journeys. Provide a tool that simplifies their decision-making by serving alternatives that fit their user profile. This can speed sales, streamline order processing and please customers.

**Machine Learning** | Provide your systems the intelligence delivered via statistical information they need to learn and improve data processing and better deliver recommendations to you and your teams. Machine learning can positively impact all facets of your hospitality organisation.



## Level Description

## Next Steps

1	At this level, all of your processes are manual and paper-based.		Taking the first step toward automation will yield great rewards.
	<b>LEVEL 0 PURCHASING</b> <ul style="list-style-type: none"> <li>Manual Process</li> <li>Performed via supplier websites</li> <li>No approvals necessary</li> </ul>	<b>LEVEL 0 LABOUR</b> <ul style="list-style-type: none"> <li>No budget cost control performed</li> <li>Tasks done via Excel or paper</li> </ul>	
2	Your organisation has started to eliminate manual processes by automating a few key components.		The next step is to start to move from automation to integration.
	<b>LEVEL 1 PURCHASING</b> <ul style="list-style-type: none"> <li>Some parts of the purchasing process automated</li> <li>Supplier catalogues online</li> </ul>	<b>LEVEL 1 LABOUR</b> <ul style="list-style-type: none"> <li>Basic top-down cost control including reporting of plan vs. actuals performed</li> <li>Weekly forecast and labour cost targets calculated</li> <li>Assisted or embedded scheduling done</li> </ul>	
3	Your organisation has integrated a few key workflows and is starting to reap the rewards.		Now it's time to take advantage or those integrations.
	<b>LEVEL 2 PURCHASING</b> <ul style="list-style-type: none"> <li>Electronic supplier integration</li> <li>Invoice management</li> <li>PDF invoicing</li> </ul>	<b>LEVEL 2 PURCHASING</b> <ul style="list-style-type: none"> <li>Productivity stats crunched               <ul style="list-style-type: none"> <li>→ Basic top-down hours control</li> <li>→ Weekly forecast and labour hours targets</li> <li>→ Daily forecast accuracy</li> <li>→ Daily labour flex</li> </ul> </li> <li>Employee self-service offered</li> <li>Time and attendance</li> </ul>	
4	You are leveraging the value of your sophisticated workflow integrations and optimising purchasing and labour workflows.		You are already well on your way to reaping all the rewards of system integration, but there is more you can do
	<b>LEVEL 3 PURCHASING</b> <ul style="list-style-type: none"> <li>Master data</li> <li>Recipe management</li> <li>Inventory control</li> <li>3-way matching</li> <li>ePOS integration</li> <li>Supply chain</li> <li>Menu planning</li> <li>Nutrition and allergens</li> <li>ePOD</li> <li>Clean invoicing</li> </ul>	<b>LEVEL 3 PURCHASING</b> <ul style="list-style-type: none"> <li>Basic activity-based workload model               <ul style="list-style-type: none"> <li>→ Labour standards</li> <li>→ Activity drivers</li> <li>→ 15 minute detail</li> </ul> </li> <li>Forecast weather impacts, daily review</li> <li>Schedule to shape of day</li> <li>Team availability</li> <li>Employee engagement</li> <li>Event planning/price volume impacts</li> <li>Optimised activity-based workload model</li> <li>Budget modelling</li> <li>Schedule accuracy measure</li> </ul>	
5	Your organisation is making the most of your integrated back office systems by leveraging analytics to drive business insights		You are already well on your way to reaping all the rewards of system integration, but there is more you can do.
	<b>LEVEL 5 PURCHASING</b> <ul style="list-style-type: none"> <li>Demand planning</li> <li>Forecasting</li> <li>Predictive ordering</li> <li>Availability reporting</li> <li>Analytics</li> </ul>	<b>LEVEL 5 PURCHASING</b> <ul style="list-style-type: none"> <li>Self-learning forecast accuracy</li> <li>Optimised suggested staff schedules</li> <li>Predictive recruitment needs</li> <li>Service productivity insight and guidance</li> <li>Management by exception</li> </ul>	

## How to move toward total back office system integration

Don't be overwhelmed by the thought of integrating all of your processes and systems at once. Here are recommendations on how you can take the necessary steps to move from a completely manual system to an integrated back office solution that leverages all of your data, optimises your processes, provides insight into performance and offers recommendations for improvements.

### Conclusion

No matter the size of your organisation, integrating your back office systems makes sense. It helps you:

- Increase efficiency through the elimination of manual processes.
- Fully leverage the power of all your data.
- Gain visibility into all aspects of your hospitality operation.
- Work faster and smarter.

Examine your current back office components – and then work to plan a path to integration that has you being able to seamlessly link your systems, easily maintain data connections, create automated workflow and reporting, and communicate key findings across your teams.

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## About Fourth

Fourth provides end-to-end, best-in-class technology and services for the restaurant and hospitality industries. Their procurement, inventory and workforce management solutions, coupled with the industry's most complete data and analytics suite, give operators the actionable insights they need to control costs, scale profitability, improve employee engagement, and maintain compliance. Since its merger with US-based HotSchedules, Fourth serves more than 7,000 customers across 120,000 locations globally.

### You have enough to do.

Let's help get the administrative busywork off your plate. To learn how we can help simplify your back-office operations, boost your efficiency and profitability, and improve your inventory management, give us a call.

+44 (0) 8450 571 234



 Visit [Fourth.com](https://fourth.com)