



Reducing Back Office Complexities

An Opportunity to Consolidate Your
Hospitality Technology

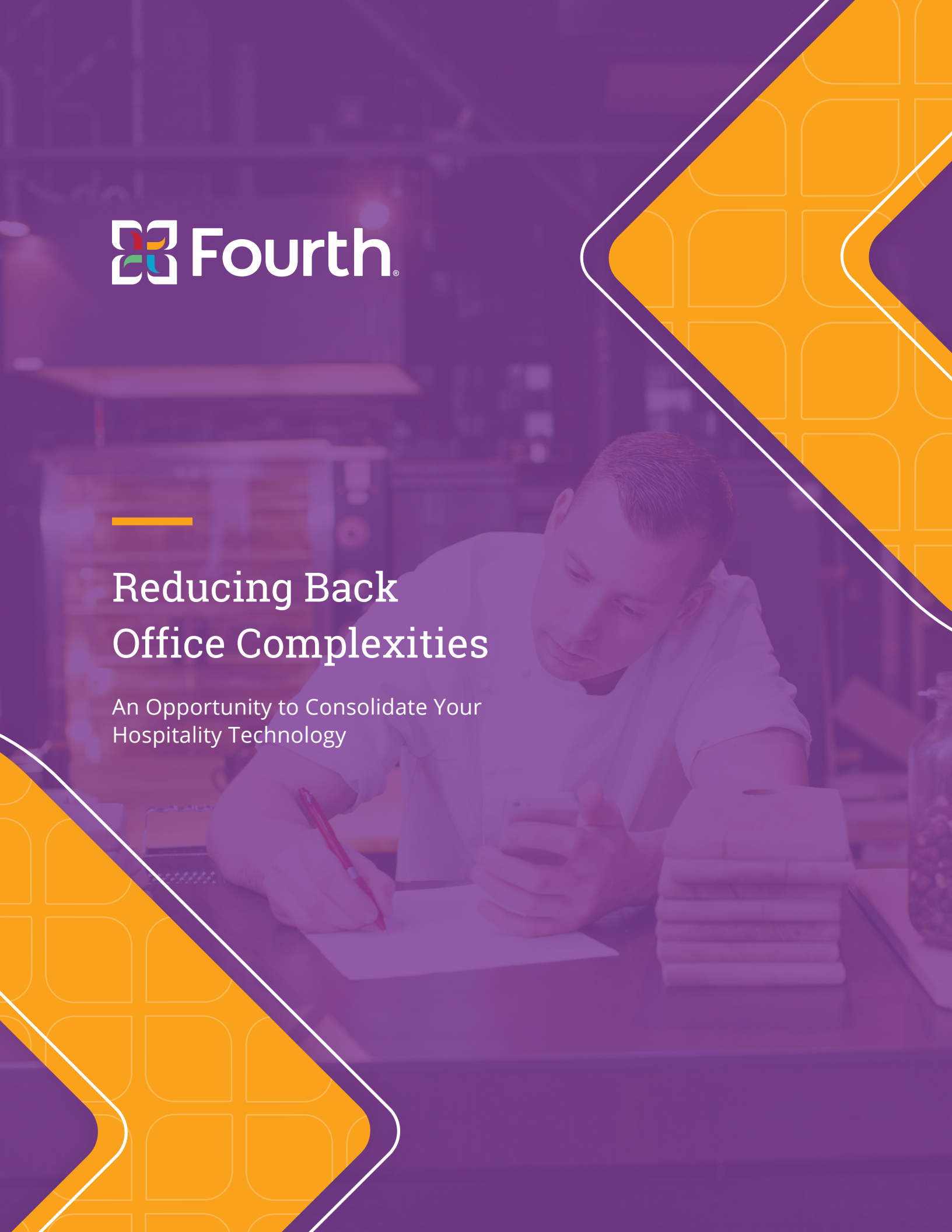




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Introduction

In the last decade, the hospitality industry has benefited greatly from technology that has transformed everything from point-of-sale to employee scheduling and training. However, these advancements can cause challenges with large, disconnected technology stacks that are expensive to operate and leave managers overwhelmed with data.

Hospitality management technology investments are to simplify your operations, not complicate them. But in too many cases, there systems are leaving managers with one more thing to worry about on top of their already hectic daily lives. How can hospitality operators innovate for the future and empower their managers without another system muddying the waters?

Restaurant CIOs are up against several large obstacles:



The cost and complexity of the legacy infrastructure and disconnected architecture



Difficulty getting visibility into data up across the operation

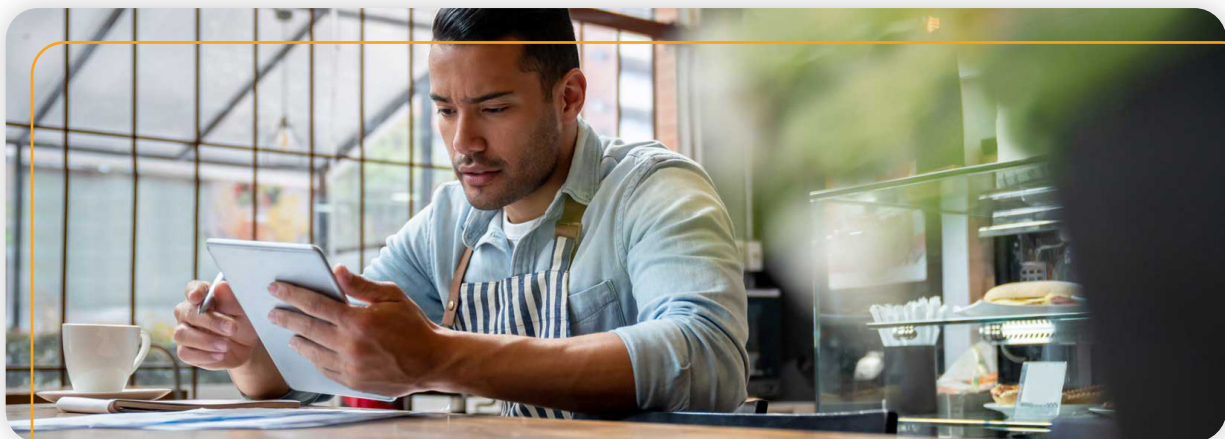


Scaling new technology to the organization's needs



Getting teams to spend the time to adopt new technologies

This eBook looks at four pressing challenges and presents one unifying solution. The key is to deploy simplified and integrated systems that deliver actionable insights to help hospitality managers plan for tomorrow and look back to see what happened.



Consolidate Your Software to Save Time and Money

Today's hospitality business operate a myriad of systems, systems, with some utilizing anywhere from 10 to 30 different technologies in-house. There are independent systems for point-of-sale, scheduling, training, payroll, inventory management, marketing, and more.

The sheer amount of technology is a reaction to monolithic back office software that lacked functionality. But, in the race to automate every function, hospitality businesses have lost a vital benefit of advanced systems — streamlined performance. The lack of technology consolidation has put operations at a disadvantage in multiple ways, including the time managers waste logging into and out of multiple different systems every day.

These disconnected technology stacks are also incredibly expensive to maintain. This is one of the biggest operators restaurants face in optimizing their operations and meeting top-line business goals and day-to-day key performance metrics, like the daily cost of sales, labor, and goods.

The solution lies in moving from multiple disconnected systems to a connected technology stack that functions as a “one-stop shop” — providing managers with centralized access to a whole range of data locked within each system.



Empower Your Technology Teams with A Consolidated Technology Suite Your Team

Technology teams also don't have enough time to innovate — they're overwhelmed with the maintenance of their systems, network, security, and complete technology stack.

In fact, Technology's 2018 Restaurant Technology Study found that the time to maintain and the restrictions of legacy systems was the biggest challenge technology teams faced. A whopping 66% of technology budget is spent on the maintenance of legacy systems. The study also found that the next biggest challenges facing technology departments were the ability to measure ROI and the lack of or a limited technology budget. Hospitality businesses are twice as likely to struggle with ROI than with mid-tier challenges.

Top Challenges Facing Hospitality Technology Teams



Restricted by maintenance of legacy systems (Hardware/Software)



Limited technology budget



Difficulty measuring ROI of technology



Hospitality Technology's 2018 Restaurant Technology Study

66% of restaurant IT budgets went to maintaining legacy systems.

As hospitality businesses have grown their technology stacks to gain the advanced functionality they need to remain competitive, they have created a new resource challenge. In order to run all of these systems, you need to hire technology professionals to manage the solutions, however this resource can often be overlooked for other business priorities, meaning opportunities to optimise technology are missed.

The solution lies in consolidating multiple systems in a simplified network. If you're considering a new back-office solution, it's important to do an analysis of your technology providers and how their systems can work together (or not).

"An operator with just over 25 stores recently admitted his team is managing more than 30 vendors under his tech stack. Whether it's the right strategy or a necessary evil, we have to ask ... should mid- market, multi-unit restaurant brands really have to deal with that many technology vendors?" - Mary Hamill, VP of Solutions Engineering, Fourth.

If the systems can't work together it may be time to simplify operations and opt to bring data from multiple sources into one solution. To implement this approach, it's important to identify a technology partner with experience in facilitating discussions between technology providers and hospitality operators.

Translate data into insights to Make Better Decisions

Your managers shouldn't be spending their time in the back office analysing trends and business information; they should be out on the floor, overseeing teams, managing any issues that arise, and ensuring the best guest experience is delivered every time.

Managers make daily decisions such as the amount of products to order or how to adapt the schedule to meet the demands of a last-minute. What if your managers had a single application to not only view the data that supported such decision making but also analysed and recommended optimum staffing levels and inventory requirements.

Technology systems that consolidate planning and communication tools can empower managers to make decisions while improving their productivity. Hospitality business managers need mobile-enabled tools that electronically document what happens before, during and after the shift. That way, busy operations teams can get context and continuous insight into important data and KPIs.

This is especially true in terms of forecasting technology. Managers are an important part of the forecasting equation and need transparency during the process. A singular "black-box" tool that simply presents a number will ultimately hurt both adoption and trust in the tool. Providing managers context around last year's sales and metrics, the range of weeks used for the forecast, and last year's shift notes allows them to better understand the numbers and make more informed decisions.

The ability to make those decisions can improve operations on every level — from staffing, to inventory management, to the quality of the service you deliver. Incremental improvements in each area of the business will optimize bottom and top line profits.



"We need to create reports for above-store management, but my managers are busy handling critical shift-to-shift responsibilities. I can't have them sitting in the back office crunching numbers all afternoon."

Does this sound familiar?

This speaks to the lack of visibility facing CIOs and their technology teams. Sure, hospitality businesses are generating lots of data thanks to all of their technology systems. But in many cases, they either can't access or can't translate that data into insights that help decision-making — at least not without turning their managers into data scientists.

Ensure Adoption Across The Business to Maximise Success

With an integrated reporting and analytics capability, such as Fourth Analytics, you can make insight based decisions based on a consolidated view of all of your business's data, visualized in one location. Pre-built dashboards with the most relevant metrics are provided with easy-to-read graphs and charts.

Finally, it is very difficult to gain the level of employee adoption needed to run productively and profitably when there are too many systems. General managers are already overwhelmed with the amount they have to manage within their site. And a high turnover in general managers amplifies the issue, as every time a manager moves on, you lose their system and location knowledge.

There's been a general belief that monolithic back-office platforms and business intelligence or analytics software have improved overall operations. The consolidation of the back of house operations into one, centralized software system was a first step.

The problem is that often there's a lack of standardization and overall strategy for deploying the systems operating systems as individual locations rather than collectively as a hospitality business. Legacy back office solutions simply don't connect to new software providers the way new ones can.

This presents several implications:



It can cost tens of thousands of dollars to create reports across multiple sites.



Producing reports for corporate executives and leadership teams for multiple locations is time consuming.



Lack of insight makes it difficult to steer the business, so executive leadership teams look to marketing and operations to drive bottom and top line growth.



Technology budgets and projects to innovate infrastructure and architecture are put on hold to support marketing and operations' initiatives.

Modern, intelligent back-office systems give hospitality businesses capabilities that would not be possible with outdated systems, such as sales and inventory forecasting, optimized labour scheduling is in order to staff sufficiently to meet your financial goals. It also enables continual improvement, and insights that drive greater execution at every level of the organisation.

Summary

In many cases today, hospitality back office technologies do not help businesses succeed as they do not meet the dire need for greater insight and smart forecasting, which leads to a more efficient and profitable organisation. When it comes to the state of technology many businesses are stuck with disparate solutions, complex legacy systems, a lack of visibility, and high development and maintenance costs.

These challenges restrict hospitality operators to outdated systems and processes which limit their businesses growth — preventing them from deploying next-generation solutions that support a whole new level of hospitality business performance, which can mean the difference between long-term success or failure.

What's missing? An intuitive, next-generation back office system that ...



Enables you to optimise staff performance



Reduces unnecessary inventory and labour expenses



Delivers greater consistency in product and service



Is easier to operate and maintain



Provides vital insight that helps managers plan for and manage the unexpected

In an industry that runs on small margins, high operating costs, and a dynamic workforce, each and every decision impacts your bottom line. To support the future growth or evolution of your business, you need easy and fast access to your data. With next generation back offices systems this is now possible. You can marry business rules, internal and external data, flexible reporting capabilities, and planning and scheduling tools to help managers make more informed decisions every day — before, during, and after every shift.

About Fourth

We provide end-to-end, best-in-class technology and services for the restaurant and hospitality industries. Our 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. Headquartered in Austin, Texas, we serve 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.

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