

## LECTURE 10

### CONTROL APPLICATION OF TECHNOLOGY AND POINT OF SALE SYSTEMS

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#### Content

Point of sale systems

Factors to consider when selecting new technology

Monitoring advancements

The use of technology in managing the food service operation within the global context has made it easier to manage multiple facilities from a single location by performing several functions. However, these establishments still face a couple of issues in the control of various costs. These include:

#### 1. Operational differences

Operational differences on timing, method as well as settling on the actual approach affect global businesses as they are expected to inculcate local customs, preferences and traditions into their operations in order to fully immerse into the new context. This might cause a clash with the differing approach the owner is accustomed to. These problematic areas include menu planning, pricing, safety standards, maintenance among other activities within the food and beverage cycle.

#### 2. Cultural differences

A society's way of doing things is largely influenced by their racial or tribal, religious and social norms. These traits differ vastly between nations and continents, thus, for one to conduct business effectively, it is essential to manage the operation in ways that avoid cultural clashes. This might include:

- a. Encourage open communication
- b. Foster team spirit by promoting team building activities
- c. Enhance workforce diversity
- d. Promote an ideal workplace culture
- e. Model the appropriate attitudes and behavior

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## 3. Accounting issues

Differences in financial reporting are majorly highlighted in the need for use of exchange rates in order to interpret the monetary values described.

Technological advancements have resulted in two major innovations on how information is shared. This has resulted to a transformation in the approach to financial reporting and sharing of data. These are; \* Use of the internet as a point of storage for data, and;

\* Transfer of information over WiFi (wireless fidelity)

Food and beverage management personnel ought to stay abreast with technological advancements in order to optimize their internal and financial business performance.

## Point of Sale Systems (POS)

Previously adopted manual systems of processing orders were often marred with errors and left room for theft as bills would be manipulated. The computerization of this played a great role in the optimization of this process.

These are technological advancements that facilitate transactions, print outs of receipts and storage of information. Orders are automatically processed hence minimizing errors.

Point of sale systems are diverse provisions based on differing brands, types. Examples of these include: cash register, electronic point of sale systems etc. these systems do more than just process orders. They facilitate additional functions such as inventory control, customer relationship management, and financial management.

Seal (2017) points out that point of sale systems are installed in single or multiple units with input and output features. The systems have the option of being interfaced with a property management system in order to create a link between different users.

There are numerous applications of these systems including: generating reports at the end of shifts, processing guest orders and payments etc.

### Advantages

- a. Enhanced storage of information.
- b. Standardization of operations. Since the system is interfaced, this enables:

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- Remote operational enhancement
  - Performance analysis for multiple operations
  - Labour management through distribution of tasks, servings per staff among others
  - Storage of the operations' information pertaining to specifications, policies, recipes, sales reports, job descriptions etc.
  - Ease of access and distribution of information within storage
- c. Access by multiple users – allows multiple staff functions from the same unit. Access information might be required to access authorized data.
- d. Information is well backed up and easy to recover.
- e. Local processing of data works regardless of network interruptions.
- f. System can be used at all times.
- g. System upgrades are readily available.

## **Cash register**

The electronic cash register is a type of point of sale system resembling the previous computers with a bulky central processing unit. It is also a computer system with input, output and storage devices.

## **Handwriting recognition systems**

In operations, the waitstaff move back and forth from the point of sale system to the guest, however, the wireless handwriting recognition system automatically relays the information written by the waitstaff directly to the respective production areas.

## **Voice-over internet protocol (VoIP)**

VoIP involves any technology that allows the transmission of one's voice through the internet. It offers better rates as compared to the traditional telephone.

## **Staff-sharing technology**

Employees are able to exchange while viewing each other from vast locations through this platform where ideas and solutions to various challenges can be offered.

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## **Motion detection**

Intelligent systems such as motion detectors and cameras aid in monitoring the operation as a means of promoting safety and security. The systems can also be used as a way of observing staff behaviour and evaluating their performance.

## **Factors to consider when selecting new technology**

Enhancements in use of technology should be based on certain factors; one should consider its ability to;

- Improve on guest satisfaction
- Contribute to increased revenue
- Facilitate decision making thus causing a reduction of costs
- Enhance productivity
- Enhance communication
- Provide a competitive edge

## **Other main factors include:**

### **Effect**

It is in order to consider the effect of various types of technology used in the operation since some of the applications may result to misunderstandings between managers and their employees.

For example, the use of cameras for security purposes within the operation, might cause employees to feel as though they are being watched causing a feeling of mistrust.

Applications that have been found to be too engaging might also take away from the overall guest experience. It is therefore paramount to consider the effect of the technology on intends to adopt before purchase.

The use of these advancements should be beneficial rather than detrimental. Any potential disruptive perceptions and behavior towards the same should be managed before, during and after the process of installation.

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## **Cost**

Investments are made so that businesses can make a profit on the cost. The investment made on any technology should be guaranteed to reap a return. The checkpoints listed above can be used to evaluate this. Estimations on the return of investment should be done to establish whether or not it is actually a good decision.

In line with this, availability of resources should be considered especially because further costs will be incurred down the line. These include: maintenance, updates, on training employees on how to use etc.

## **Applicability**

Complex technology that poses a challenge to the employees will result to a waste of business hours as they spend time trying to acclimate to the new system while contributing to idle time when struggles arise. It is critical to accompany new technology with training.

## **Warranty and maintenance**

Technology is expensive to acquire, as such, one should aim to buy legitimate products from credible sources. Legitimate warranties reaffirm that the purchase is of good quality however, any issues arising within a specified period after purchase, will be addressed at no cost. One should confirm the length of warranty and what it covers.

The cost of repairs and maintenance over time should be considered otherwise some products might cost one more than they value they promise to give. The rate of response to maintenance and repair calls should be observed as delays in this interrupt the whole system. One should confirm the time it should take to get this done.

## **Upgrades (advancement rapid)**

The availability of upgrades, cost and compatibility with previous systems should be explored since this could mean than more costs are incurred.

## **Reliability**

Both the product and the vendor should be reliable; their products should last for an ideal amount of time while their services should be favorable to the operation. Thus, consider;

*Location*- indicates ability to promptly solve issues. The closer the better

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Experience- Longevity can be equated to knowhow, saves business some money from constant repairs to damage etc.

Service quality- form a rapport with the individuals necessary for maintenance in order to establish a working relationship.

Response- should show some urgency to their clients' needs and be actually employed by the company providing the technology.

Reputation- a company with a good reputation confirms that they have the virtues required in maintaining a good working relationship.

### Monitoring Developments in Control Technology

It is vital to keep an eye out for current technological advancements that could offer the best business solutions. Source of this information include:

**Trade shows** – trade associations have industry knowledge on members or market leaders who may actually have the latest technological products.

It is an effective method to meet vendors since one would conveniently meet multiple ones under one roof.

**Written sources** – reading on current technological products is an effective way to obtain a variety of information. Besides trends, one is able to find out what hidden issues certain products may have, what products are recommended and for what purpose etc. Obtaining this information from credible sources easily might expose one to leads on how to acquire any recommended products.

Reading from writers who monitor the any trends provides an update on information.

**Current suppliers** – ones current vendor is a decent source especially if they frequently enhance their products which ensure compatibility since you already own the predecessors. It also saves on time as the updates are fed into the system one is already accustomed to unlike going for a new supplier who then offers a different product.

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**Supplier's competition** – knowing your supplier's competition might enable you to peak at their products in search of what improvements they may feature. This presents a list of any products that could better solve your challenges.

**Technology-based classes** – classes providing knowledge on the specific technology you want to adapt to ensure learning occurs.

**Internal recommendations-** in case the organization one works for has different branches that adopt their own strategies, this could be a great source of hints.

## Quiz

1. Discuss some of the challenges faced in the control of costs by financial organizations.
2. Outline the essence of a point of sale system within a food and beverage business.
3. Distinguish between voice-over internet protocol (VoIP) and staff-sharing technology.
4. Describe the factors you would consider before adopting new technology.
5. Explain various sources of information on cost control technology.

## REFERENCE

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