

WHITE PAPER

# Giving the Hospitality Industry the Management Tools It Needs to Survive and Thrive





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*Decades of industry expertise combined with an industry-leading business management software can give restaurant operators and franchise owners the visibility, data, insights and controls they need to effectively address their myriad challenges while also continuously improving their organizations.*

Running a restaurant is a risky yet rewarding proposition in any business environment. From the single unit operator to the multi-store corporation to the franchise network, restaurateurs' face daily challenges ranging from managing and training staff, to developing great menus, competing in the marketplace, and maintaining enough capital to run their operations.

The roadblocks to success don't end there, unfortunately. Restaurant operators also have to maintain control over what goes on behind the scenes at their locations with inventory management, cash flow management, financial controls and point of sale operations being some of their key pain points.

While the restaurant industry has historically provided ample opportunity for enterprising, persevering entrepreneurs and corporations, the industry has been through an extremely challenging year with restrictions on in-person dining.

Quick service restaurants (QSRs) and establishments with existing drive-throughs were able to quickly adapt to these new constraints. Now, many establishments are seeking out new ways to handle these challenges while also improving efficiency.

This white paper will explore the key challenges that today's hospitality industry is facing and show how technology, automation and cloud solutions can help organizations work through the current challenges while also preparing their operations for future success.

## Breaking Free of Fragmented Tech Systems

With total sales of about \$900 billion for 2020 (versus \$590 billion in 2010), the [U.S. restaurant industry employs 15.6 million people](#) who work in more than 1 million different eateries nationwide. By 2030, the industry is expected to have created an additional 1.6 million jobs in a sector where 90% of the establishments have fewer than 50 employees. With a [total economic impact of about \\$2.5 trillion](#), the restaurant sector is dominated by single-unit operations, which make up about 70% of the industry.

Most restaurant owners rely on fragmented systems to run their operations that include (but aren't limited to) pen and paper, Excel spreadsheets, and proprietary, on-premises software systems. Smaller operations lean toward using QuickBooks for financials while others rely on one of several restaurant-specific accounting packages.

"In most cases, they're using a different piece of software for scheduling, payroll, accounting, food management and inventory management," said Joshua Cormier, National Sales Executive at Chicago-based ReSource Point of Sale LLC (ReSource POS), a provider of point of sale (POS) hardware and integration services.

These rudimentary and disparate technology systems create problems like poor visibility across multiple restaurant locations, ineffective inventory management, poor financial management and myriad other issues. As diners' preferences continue to change, restaurants must also offer contactless solutions, accept mobile payments, enable kiosk ordering and roll out pay-at-the-table solutions that aren't supported by antiquated POS systems and/or disparate, back-end technology platforms.

Now at a crossroads, restaurants ranging from the single family-owned location to the national quick-service chain must either adapt to these new demands or risk losing business—or, go out of business entirely. "Restaurant operators need hands-on visibility over their operations," said Cormier, who points to warranty management as one area where technology can help hospitality organizations achieve major efficiencies.

"Warranties are extremely important for the sector, which needs its equipment, hardware and other tools to be in good working condition all the time," said Cormier, whose team helps companies manage their onsite POS systems' performance, failure rates and warranties.

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**"Without a software platform to track and monitor warranties across multiple restaurant locations, it's impossible to keep up with failure rates, breakdowns and repairs."**

**Joshua Cormier, National Sales Executive, ReSource Point of Sale LLC (ReSource POS)**

Restaurants also struggle with a lack of onsite technical skills. Most don't have repair personnel or IT professionals inhouse and ready to react when a system goes down. Using an integrated solution to run operations like NetSuite, ReSource POS builds out troubleshooting guides that employees can use to address and fix hardware or software issues on the spot. An enterprise system to manage both financial and operations aspects of the business can also help cure a restaurant's inventory management problems in a recipe-driven business environment.



“If an executive has visibility into inventory-related data, he or she can make better purchasing decisions,” said Cormier, who sees this as a “must have” in the current operating environment, where being able to “do more with less” has become a key to survival. Good human resources management is equally as critical, as is the ability to effectively load-balance employees with current business volumes.

### **Solving Critical Industry Problems**

Since 2004, ReSource POS has been supporting restaurants across the industry spectrum with POS hardware and software, implementation, rollouts, repairs, maintenance, and a help desk. It began connecting customers with telecom, cloud, network security and connectivity suppliers. After some success, it created another company dedicated to such services—ReSource-360.com. ReSource 360 represents all major brands of restaurant suppliers, and leverages its resources to help its customers choose which solutions best fit their needs.

Furthermore, by taking on more responsibility, ReSource can truly offer end-to-end responsibility for clients.

Focused specifically on the hospitality industry, ReSource POS launched as a refurbished POS hardware provider and then later expanded into services. It augments end-of-life warranties for POS hardware, effectively helping restaurants keep their current systems in place without the need for a major financial investment.

Working both with small to mid-sized hospitality companies with annual sales of \$1.5 million to \$10 million and large franchisors with \$500 million+ in revenues, ReSource POS works with both corporate-owned and franchise organizations. Working with its customers’ executive management teams, ReSource POS gets to the root of the customer’s accountability issues, labor challenges and other problems that are hampering productivity, growth and efficiency.



For its customers, ReSource POS conducts an initial application assessment to learn more about their business and align on immediate and future goals. For example, they may be running outdated applications, using inferior hardware or suffering from inadequate internet connectivity. “We’re highly proficient at what we do, which is often dirty and complicated,” said Cormier. “These POS machines get greasy, hot and dirty, and we have to keep them up and running. When a customer is right in front of you and your equipment doesn’t do what it should do, you need someone with experience you can reach out to.”

### **An End-to-End Solution**

An authorized NetSuite partner, ReSource POS’ Resource 360 cloud-based solution helps restaurant operators eliminate their disparate, disjointed technology systems and leverage a unified business platform to run their end-to-end operations.

A long-time NetSuite user itself, ReSource POS relies on the platform to manage all aspects of its business. For example, in a typical month it will receive about 6,000 help desk calls, all of which are managed with NetSuite, which opens a ticket and then sees it through to final resolution. Individual team members can add notes to the ticket and everyone has visibility on the progress. The calls range from complaints about Internet connectivity to software troubleshooting to menu updates.

ReSource POS extends the power of NetSuite to its own customers.

### **A Balancing Act**

Once in place, NetSuite helps hospitality companies address the key pain points outlined above with an emphasis on improved operational visibility, financial management and inventory management.

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“We help the franchise owners who don’t have a full-time accounting staff or other back-end support employees gain visibility across their locations via a single dashboard. With NetSuite, they get a single repository for everything that they’re managing—from payroll to physical inventory to food to recipes, and everything in between.”

**Joshua Cormier, National Sales Executive, ReSource Point of Sale LLC (ReSource POS)**

The latter is particularly critical for restaurants, which must strike a balance between having the necessary ingredients in stock, but not too much that those items spoil or languish in the cooler or on the shelves.

By aggregating historical sales data and using it for demand sensing, it’s possible to push data into NetSuite right down to the exact amount of mayonnaise a restaurant needs to produce a certain number of sandwiches within a specific period of time. “These efficiencies add up when you’re talking about thousands of sandwiches being made across dozens of restaurants every day,” Cormier said. By supporting better decisions on the acquisition and planning side, restaurants can save 2%-4% in food costs alone. That’s a major win in a sector where the raw material costs are changing almost daily.”

## Blocking and Tackling

With fewer people dining out right now and the costs of doing business continuing to climb, the nation's restaurants need robust technology tools that can help them work better, smarter and faster. "Everyone is striving for efficiencies and trying to make better purchase decisions," said Cormier. "In absence of good data and operational visibility, restaurants really can't make the smart decisions that they need to be making right now."

Instead, many are poring over spreadsheets and using basic systems like QuickBooks to both deal with current challenges and carve out a path

forward. "If restaurants operators don't have a unified system to keep up with recipes, manage their inventory, identify rising labor costs and produce other valuable data points," said Cormier, "they're going to find themselves in an even bigger hole than they're in right now."

By combining decades of industry expertise with an industry-leading cloud platform, ReSource POS is helping restaurant operators and franchise owners gain the visibility, data, insights and controls they need to work through their biggest hurdles while driving continuous improvement across their organizations.



