Hey there restaurant pros. It's David Scott Peters and welcome to episode 53 of the restaurant prosperity formula. I've been coaching restaurant owners since 2003. And the restaurant prosperity formula is based on what the most successful restaurant owners I've worked with do on a daily basis to achieve their success. The basic premise of the formula centered around achieving prosperity, freedom from your restaurant and the financial freedom you deserve. To achieve prosperity, you have to follow a very specific formula made up of leadership systems training, accountability and taking action. Today's topic, I'll attempt to answer the question, what is the question you ask? What POS system should I buy? I bet this is one podcast you're sure to listen to from the start to the very end. Let's get started. But first, a word from our sponsor. This episode has been brought to you by repeat returns. If you're a restaurant owner of a medium to high volume, independent restaurant, multi unit or franchise operator and you're looking for a proven and realistic solution to retain customers, then you need to visit repeat returns. Repeat returns is a modern marketing platform created by a restaurant owner for restaurant owners. It studies each customer's habits and patterns predicts the most profitable outcome for your restaurant. Every single day employs a marketing to make that happen. You'll never lift a finger to see if repeat returns is right for you. Visit repeat returns on Comm forward slash DSP. There's one question I get asked routinely. And that same question finds its way into my group coaching calls at least a few times a year or at least some variation or version of it. And that question is what POS system should I get? Let me lead with. I can find you 500 People who love a system and I'll find your 500 people who hate that same very system. Most people's opinion have been formed. Based on the service that POS company or the local dealer has been fighting them. It's not so much the actual POS system itself. Now with that said, before I answer the question of what POS is or should I get, let's talk about what a good POS system should do for you. Above and beyond the obvious of sales transactions, recording those and taking payments. There is a short list you must consider when looking to invest so much money in a POS system. Here are some features you should think about when looking at a POS number one, will it take cash credit cards and gift card transactions? See this seems to be a really a no brainer. When you think about of course it's going to take cash of course it takes credit cards. But when you think about it, the intention of your POS system is sales transactions. But you'd be surprised how many POS systems don't take gift cards or it's an external system and it doesn't tie in so well and it's like an external batch. So that's something to consider. Number two. Does it have a timekeeping module? See we don't want an external timekeeping, like a different software package, time clock or anything like that. We want it in the same darn system because we need those numbers. See, it's extremely important because not only is the reporting hours for payroll, but when it connects to your sales you can easily see when to cut somebody, like look at your half hour by half hour or say a system like toast every 15 minutes. You can see that you're not selling anything even if the dining room was full, which mean we could be the end of the night you should start cutting people now. Because they're sitting there your full view visually look full but you're not producing sales so we can start to get ahead of labor costs. And see basically when your what your labor costs is running from day to the rest of the week.

Timekeeping in your POS system is critical giving your managers a tool to go right to and see and assess where you are. Number three, does it have these following reports a DSR report and Daily Sales Report. The Daily Sales Report. If something comes up at the end of the day, when you close that all the tickets are closed. And you know what, what the cash sales were Visa, MasterCard, American Express, Discover that you had any coupons, sales tax collected and sales by category. This allows me to make sure that every penny makes an event I know what I should be gathering and I've got all my numbers for all my other systems. Another report is the comp or discount report. This report allows you to track any promotions or discounts you're giving it basically on a daily basis, you're discounting, whether it's an employee meal, 50% off a manager meal 100% Or you're running some sort of coupon or promotion. You want to see how effective each one of those discounts are. So you need to track them individually. And your POS system gives you the ability to do that. You get to see basically what kind of issues you may have. If you're comping because you have bad food or you know burn something or you've got slow service or poor service. And now because you put it in your POS system in the right bucket, if you will, you can run a report on a nightly basis, weekly basis, monthly, whatever works for you to see what you need to work on what's robbing you of your profits. Another report would be the transfer report. And this transfer report allows you to see items have been transferred from one ticket to another or to a completely different employee. It's critical. It's gonna allow you to catch employees who might be stealing or they're moving an item from a ticket is going to be closed out with cash into another ticket to another ticket that is closed out by cash. Because what it does is it reduces the amount of money you're expecting in that ticket and when they close it to five $10 is theirs to keep because they just keep moving it from one table to another. Now I will tell you with that one, it may ultimately be smartest to not allow them to do so without a manager swipe. This way you keep honest people honest. How about a void report? The Void report allows you to see if you have a training issue or possibly theft behind your bar for instance. So if you look at your void report and you've got bartenders that are ringing up tickets, and then they hit void, what that often does is void the transaction opens the drawer almost like a no sale, but to a guest if they're paying cash they will get get the change in return. And that bartender is gonna keep track how much money's in that drawer that they're going to take out at the end of the night. So when I look at these void reports, and I confront my bartender to say, Hey, why are you voiding these transactions? Well, when they were asking prices, oh, then you've now gone through training or need to go through training again. So I'm going to take you off the shifts and put you through training again. See our goal is not to check somebody like you're stealing you're out of here It's to prevent them from the say we are looking. Now, what about no sale report? I'm gonna tell you again. I think you should get rid of the no sale read the key on the POS system. If any POS system worth their salt when somebody hits no sale the whole screen is red says no sale in huge letters. Why? Because it says I'm stealing. But what the no sale report. The reason why we have it is it opens up the cash drawer often for the servers who have a $20 bill who want to break it before they're when they get collect money from their first table because they don't have change on them they're supposed to but they don't. If you have changed for the pool table or vending machines or whatever it may be. Well, I'm gonna tell you right now get rid of that. Because again, what happens is you can ring up a complete transaction hit no sale and avoids it. So we want to make sure that we train people with the prices are and take away their ability to steal. Now, I'm going to tell you that this report is critical to identify those who are stealing, but it only with customers who pay cash so it's much harder to find the majority of people are paying with credit card but keep it in mind. It should have a report called the item by item sales mix report also known as a P mix report, a product mix report a velocity report, how many items did I sell of each item that I sell to my customer? Well, this is really important when it comes to making real change in your business. This report in fact is king. See when you combine the count of each item that was sold

with basically your current up to date, accurate recipe costing cards and what you sell each item for, you're gonna immediately know what your ideal or theoretical food cost is. You're gonna be able to say, hey, my food cost should have been 30%. And a rock star kitchen will run two points above ideal, a standard most kitchens run seven to nine points above. But let's say I can measure and say oh, we're doing a good job or not right? But I can also use that data to reengineer my menu make changes decide what I'm gonna raise prices, what items are getting rid of what items I need to change the recipe card or buy smarter, better quality or light quality product at a cheaper price. Change portions, you name it. With Science, I can change my bottom line the first time through anywhere from three to seven points. This is incredibly important, but also with that P MCs report if you've tied it to your POS system and then tied it to recipe costing software or food and beverage software. Well then we run what I call an idle call. It's called an ideal to actual product usage report. And based on inventories and all this information you're gonna see you're gonna be able to find out that you should have used 350 pounds of ground beef used 400 pounds what's the problem there? Instead of why is your food cost high? Oh, no, no, no. It's you can highlight items go fix this problem. Huge report. You also need as a labor Summary Report. Now this is not the labor report with all the employees and the hours work and so on. It's a summary by position. Servers, buzzers cups, prep cooks, you get the picture. This report is going to tally the regular hours and regular pay overtime hours and overtime pay. This is critical to use these numbers to be able to schedule on budget when you tie it in with my system called the restaurant payroll Guardian otherwise known as a labor allotment where we tell our managers how many dollars and how many hours more specifically they can spend to go into next week on budget a proactive management tool. I cannot utilize that without this report. Extremely important. Made timekeeping report. Remember I wanted you to use timekeeping inside your POS. This report is imperative to proper record keeping by state or federal, like you're in the state of California. They better be punching out and punching back in when they take breaks to prove they took a break that is that is required. So it keeps you out of hot water. It also makes sure you're paying people properly. This is critical, especially when you start talking about submitting these hours to payroll and making sure you're not underpaying somebody or overpaying somebody. Now, this is a report people don't often think about they need to be a large enough restaurant. Most of you you fall into this, you need to have an ad 27 TIP Report. This keeps track of all the information for your actual IRS ad 27 TIP Report. This is where report how many directly tipped and indirectly tip employees we have what our cash sales were and cash tips or credit card sales and credit card tips. It allows the government to kind of keep track of us to make sure they're getting their money. Well, the truth of the matter is while that needs to be filed every year, it is difficult if you don't have this report, otherwise you're going to use a sampling that was approved by the Supreme Court that has a 31 day sampling for every year except for a different one for leap year. And I've done it it is not any fun. And that's for only my people here in the United States. For the number one thing you must research before purchasing your POS system. Like literally making sure you understand what kind of support they offer, meaning the POS dealer, which is a local or the POS company, if somebody who has centralized because it's not if it's when your POS system goes down in a busy Friday night, and you you your middle of it, and it falls down. It's it's their computers, it's software. I can guarantee I don't care how good or bad you think your POS system is. They all do it. Hopefully not too often. Or how often somebody burns a cable and you lose a receipt printer or somebody dumps you know, a drink in a receipt printer and all these different things that you need to have support like this because your restaurants not going to shut down. You're in the middle of Friday night. You need to be able to keep your business going. So having the right service and I will tell you this is probably one of the biggest things you need to look for above and beyond anything else.

Below they be there to support you. Next thing to consider is obviously I should say obviously

on a budget, there is a big trend a change in the industry, going from stationary POS systems where you buy all the equipment upfront to those that are cloud based that are leasing you the equipment on a monthly basis with a monthly payment. So depending on where you fall, that that's going to hit you differently. Now. What have you budgeted for this purchase? So ask yourself, Am I somebody who has used up all my cash and I've got to put myself in a position where I've got to go with somebody who's going to give me monthly payments and I don't have to come up with cash upfront, or did you put it in your budget and your plan is I don't want to be beholden to somebody on a monthly basis. I want to be able to pay for it upfront. Well, the traditional higher price POS systems, those companies that have been around a long, long time, have been and still do charge a premium for their software, hardware and ongoing support. Many POS systems in the next level down or equally as good as this top tier or top level or more expensive, the traditional POS companies, but they're less expensive. Then there's an entry level for POS systems. And for the most part, they're not worth it. Even if you're looking at you know running a small restaurant because they don't have the reporting capabilities that I outlined earlier. So in a nutshell, when buying a POS system, you got to know your budget. You need to figure out does this POS system have the features I'm looking for? Does it have the reporting right that I need to run my business, especially if you're following my systems? Do you have the support when it goes down on a Friday night? Because once you've done your research on basically which POS system should you buy? It becomes a lot easier to figure out. And with that said, I'm still not ready to answer the question. Let's first look at the short list of not all, but a lot of the POS systems that are available to you today and I'm telling you they're not all every time we go to a food show there's a new POS system. Now there's a traditional higher priced three. These were the staples in the 80s the 90s these were the three companies that you were going to use and that's Aloha micros and posse touch. Now I think it's I can't remember which one is it Aloha. They got bought by NCR NCR used to be one of those as well. But Aloha micros posi touch. These are the ones that chains mostly use. They they're they're geared towards the bigger companies. They're really proud of their product. I'm not going to tell you the best software anymore nor the best service but they're going to be the most expensive but he told you that while those are good POS system I'm not knocking them. You can find them this next mid level priced POS systems just as much if not more robust systems anymore. Those systems range from and we'll give you a short list if you want to write it down know that I'm gonna go quick and you just got to pause and write it down. Revel focus spot on touchbistro Upserve POS digital dining maitre d diner where Harbortouch future Revention squirrel cake, red crumb Speed Line Lightspeed e POS future POS pixel point Tallac POS silverware and the list goes on. Like it is amazing that I give you a headache. This is why you guys asked me what POS should I get? Because look at how many opportunities and options you have. And depending on the dealer in your area, and what they're they're pushing your relationship with somebody, maybe you had an Aloha system and they brought on a second system and they're looking to push you over to it. So we're going to show you all the bells and whistles are all the positives what they have. I can't tell you that there's anything wrong with any of those that I just talked about. Again, do they have the reports? Do they have the support? Right? That's important. Now.

There are some entry level POS systems, Clover Lebu square, and there's many more as well. I find that these systems are great for tiny little cafes that do $350,000 a year maybe 500 even then they don't give you the report you need to collect money well they'll probably give you a better credit card discount rate because that's how they make your money. The simple, easy to use, easy to get into. And you're gonna find very quickly you wish you had gone with somebody in the middle tier because of the reporting because you're going to need better reporting. Now, let me be very clear. I don't endorse one system over another. I have no ties, no financial ties, no relationships that make me promote one over another. Now I will tell you however, through the 20 years I've been coaching I really liked the people at Focus POS. I like the reporting. I like they give me the ability to do the online thing in the cloud as well as have the backup and the terminals and everything worked independently. I like them as people I like to POS system. But I'm going to tell you eight out of 10 of my members are probably using toast or heartland. I mean, those two companies are taking over the world and toast specifically. And there's some pros and cons to each one of them. But for the most part they give you the ability to be in the cloud. You know us depending on whether it's toast or its Heartland each one one has its own, if I remember correctly, its own hardware. The other one you can use any any hardware, but the fact that matters are tablet based and a lot easier to take care of when they go down. Now with that said, I believe for the most part, again, that those top were traditional POS systems and the mid priced ones. They do almost the same damn thing. One might even say that some of the new ones like the toasts of the world, the heartland of the world. They're gonna offer even more than those traditional more expensive POS systems. So really isn't a bad choice. Unless of course, you're talking to someone who hates one of them. And let me remind you, I'm going to find the other people who love that same expense POS system. You know, people who love and hate them equally. But the truth of matter is when it comes down to two very important things. Because the POS, POS system has the bells and whistles I want whether it's reporting, hardware, cloud based, whatever it is like real time reporting so all the bells and whistles I want real time apps that I can see where I am I could see a ticket any point time how I can tie it to my register and see it ring up on the security cameras. You know, how much do you want to see? So you have great support and I'm going to tell you, you need to research that. When I say research it not just take a talk to these customers will should go out to restaurants sit at the bar, look and see that they have the POS system you're looking at asking the employee Hey, what do you think of that POS system? They're gonna tell you the ins and outs they will pour it out. Then talk to a manager what do you think about this POS system, find the real deal out especially and specifically in your marketplace? Because depending on the POS you go to, they may have a lead a local dealer, that servicing you and I'm gonna tell you right now every dealer is not created equal. They can be the same exact POS system for market one marketplace and the other and in a specific marketplace. They love the POS system because they dynamite dealer the service is unbelievable. Vice versa. Same POS setup improperly not supported. People hate it. So make sure you're checking your market out not just everywhere. And this is basically how you're going to determine which POS system is right for you. Ultimately, the short answer to the question, which POS system should I buy is one that has doesn't have the features you want fits your budget and has great support and service. So guess what? I'm not going to answer that question for you because I can't. There are too many variables. You're the only one who can do it. But make sure you do your research. Feel comfortable and don't belabor it so much. When you get down to two. Let's say it's a toaster Harland and they do the same damn thing. Just go with your gut. This is David Scott Peters, saying Happy hunting. He that was an awesome episode. I want to thank you for taking the time to take action on building a better more prosperous restaurant.

Before you go. I want to give you these three thoughts. One by combining leadership and taking action with systems and training being tracked by accountability. You are on your way to creating prosperity for you and your restaurant to have something I need from you. Please leave a review on Apple podcasts Spotify or wherever you happen to listen to podcasts. By leaving us a review other restaurant pros seeking out this information are able to find it. I read the reviews and hearing how this information has benefited you. does wonders for me. And three, if you find any of the discussions helpful share them, the more restaurant pros who have access to them, the better we become as an industry for more restaurant resources or to get in contact with me. Connect with me at David Scott peters.com. Be passionate about what you're doing. Be persistent, but more importantly become better and help everyone around you become better and your restaurant is going to kick some ass.