Why a low tech industry is going high tech

Business, Industries

When small changes can yield big results – businesses take note. Restaurants have warmed up to improving their " back of the house" technologyinvestments, however running a successful restaurant business is more than just offering a great menu, good customer service and using an iPad to capture credit card payments. Restaurant owners and employers must embrace new streamlined technologies, specifically in the back office to help manage operations, foodallotment, daily delivery, staffing and sophisticated Point of Sale (POS) data to increase efficiency and eliminate the high cost of running their restaurant – just to break even.

Americans eat out on average 4. 2 times a week, averaging 18+ times a month(2016). As diners are increasingly eating out, the average US restaurant business still shows troubling statistics and low profit margins - 60% go out of business in 1 year, while 80% of restaurants close in their first 5 years(2015). Allocating significant time and effort into understanding what technologies are available may mean the difference between becoming that aforementioned statistic or not.

The restaurant industry is under pressure from multiple sides – increases in the cost of food, rent, food delivery, all present their own issues. The increase ofsocial mediaratings expose any vulnerabilities.

In addition, the industry's single highest cost - labor, seems to be trending upwards every year.

Technology is improving the restaurant industry like so many other industries. Tech startups and established companies are tackling every aspect of restaurant operations - inventory control, POS, reservations,

delivery management, wait-list management, employee management, communication, payment, all in an effort to increase efficiency and the growth of profit margins. And, as more consumers are relying on technology to determine where to eat, restaurant owners need to take advantage of social media, mobile phone applications and online review sites to increase their profitability.

This can be challenging, but owners and managers must not underestimate the need for technology in the workplace and view it as an additional cost. There are many POS systems to choose from (400 systems are available), so the stakes to pick the right technology are high. However, automating POS can improve the average profit margin of 4%, on every dollar of new expenses which can add up and most definitely counts.

Besides profitability, technology also assists in making a restaurant a better workplace for employees. With over 14 million employees, the restaurant industry affects many people. With more than half of all adults having worked in a restaurant at some point in their lives, the industry is an invaluable employer in America. Technology allows for improved processes, reducedstress, better communication, benefiting all of those people involved. With the industry hurting from a 60% employee turnover rate, any solution that can simplify lives and engage employees are well worth exploring while improving the bottom line. Where the shift economy has grown substantially, utilizing mobile apps to streamline employee engagement is key. Seasonal hires, training and complexities in wage issues are substantially managed with new restaurant specific phone apps and software.

It is imperative that managers do their due diligence and spend significant time on understanding what technology is available and what it can do for their restaurant. Bearing in mind the current economic climate, successful investment in technology will be imperative to therestaurant's success.