



Data  
Control  
Systems

restaurant  
manager  
An ASI Technology

VICTOR GURGANUS, PRESIDENT OF DATA CONTROL SYSTEMS, FEELS CONSUMER-GRADE APPLE DEVICES CAN BE USED TO INCREASE HIS SALES IN 2011.

THE COMPUTING SCALE  
DAYTON, OHIO

# 4 IT Purchases Restaurants Are Begging To Make

This VAR explains how – and where – you might be missing out on easy money.

BY MIKE MONOCELLO

The excitement you hear in Victor Gurganus' voice when he speaks about the POS industry is intoxicating. The president of Data Control Systems (DCS) is excited because he's currently offering POS solutions that contain technologies his customers need little to no convincing to purchase. While you can argue that there's no such thing as an easy sell, Gurganus has settled on some products that fall pretty close. Thankfully, the VAR was willing to not only reveal what these products are, but share enough details so you can make an informed decision as to whether you too should be offering these solutions.

## 1. Mobile POS

Over the past few years, there's been a lot of hype surrounding tableside or mobile POS. The allure for restaurants is that servers are able to wait on more tables and earn more tips, and customers get better service. Additionally, tables are turned more quickly so more patrons can be accommodated during a day. Since servers are more efficient, labor costs to the restaurateur are reduced.

While there has been some adoption, it's not been at the rate or degree analysts were predicting. Why? In Gurganus' opinion, slow mobile POS adoption can be blamed on the prohibitive cost of hardware. The VAR, who's been offering mobile POS for more than five years, used to offer Motorola handheld mobile computers. Combined with the cost of the software license on the handheld, restaurateurs had to pony up \$1,500 to \$2,000 to get mobile POS — a cost, the VAR says, restaurateurs weren't willing to pay. Consequently, mobile POS sales for DCS were lackluster, to say the least.

However, in the second half of 2010, DCS became a beta test VAR for Action Systems, Inc. (ASI) Restaurant Manager's new mobile POS solution. Whereas the VAR's previous mobile POS solution relied on the Motorola mobile computer, ASI's new offering runs on Apple products such as iPhones, iPods, and iPads. The results thus far led the VAR to believe mobile POS will be one of his largest revenue generators in 2011. In short, of those restaurants participating in the beta project, all have committed to a full-scale rollout when the software goes live in the next couple of months. "I've had more positive reception from my customers than I've had in 20 years of business," Gurganus says. "Since Apple and BlackBerry are so common with business owners, they could see the benefits of having the information on their phone."

Photos by Don Bryant

DATA CONTROL SYSTEMS

2010 REVENUE GROWTH RATE: 5%

2011 PROJECTED REVENUE GROWTH RATE: 12%

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VERTICAL: HOSPITALITY

VENDORS: ACTION SYSTEMS (ASI), APPLE, CRS, GEOVISION, HEARTLAND PAYMENT SYSTEMS, MERCURY PAYMENT SYSTEMS

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In addition, many customers not in the beta, but aware of the new offering, have shown interest in the product.

As a knowledgeable VAR, your first thought might be that the Apple products aren't retail-hardened and will have higher rates of failure. Gurganus counters that line of thinking with the fact that, for the cost of a single Motorola unit, restaurateurs could buy five to seven iPod Touches. In short, the low cost of the hardware (you can get a refurbished iPod Touch for \$99) makes the lack of retail hardening a nonissue to Gurganus and his customers. Additionally, the low cost of the hardware is what's leading to a higher adoption rate by DCS' customers.

## 2. Online Ordering

The second POS technology Gurganus is offering is online ordering. The VAR recalls one restaurant that had needs that are similar to those of his other restaurant customers. "We had a customer who was looking to minimize labor costs as it had to have an employee answering the phone for call-in orders," he says. "Also, on their busiest nights, that person on the phone would be abrupt with customers and make mistakes taking orders because they were so busy." The restaurateur investigated online ordering solutions, but the ones he looked at required

a fax machine or email address to which online orders were routed. Additionally, these solutions still required an employee dedicated to handling the orders. Apart from labor and customer service issues, the restaurateur recognized that there wasn't as much opportunity for upsell during phone-in orders during busy times.

Hearing similar stories from many of his customers, Gurganus looked to begin offering a solution that would solve these problems for his customers. The VAR wound up working with ASI to develop an online ordering component to the Restaurant Manager software. The solution allows patrons to place online orders with no interaction with a restaurant employee as orders are routed to the kitchen based on the pickup time the patron requests when placing the order. This frees up restaurant servers to perform other functions and resolves the issue of mistakes made in taking orders over the phone. Also, credit card payment is validated automatically. Additionally, when patrons are making their selections on the menu, upsell opportunities are presented. The start-up cost of the online ordering system to restaurants is approximately \$1,000. The restaurant then pays about \$95 per month for online transactions.

The benefit to DCS is a residual bonus for every online order. As many POS VARs know, residuals often might not be large enough to retire on, but they certainly help pay the bills. And, it's the easiest money you can earn. Since offering the new online ordering solution, Gurganus saw an increase in customer adoption in 2010. To date, 10% of DCS' customers are using online ordering.

## 3. Remote Monitoring

According to Gurganus, the third purchase restaurants are begging for is real-time remote monitoring. The VAR currently sells a remote monitoring solution from ASI called RM Monitor. This module of Restaurant Manager gives iPhone, BlackBerry, and Android users the ability to receive real-time information on many areas of the restaurant operations. For instance, sales for any time period can be viewed, as can deletions, employee clock-ins, and labor costs. Gurganus explains that this functionality appeals to restaurateurs for different reasons. "Some like to micromanage and know what's going on every second of the day," he says. "Others simply enjoy the convenience of being able to see what's going on at the restaurant whenever and wherever they are. Some owners give access of the data to GMs and present them with goals to meet." He goes on to explain that while other POS software has access to real-time data, the biggest factor of RM Monitor's success is that it's mobile. Gurganus says customers cannot contain their excitement when he does a live demo on his iPhone showing real-time stats from a restaurant customer (with their prior permission, of course) already using the module.

Currently, ASI provides this module for free to customers. At no cost, you might be wondering how this is helping the VAR make more money. Gurganus reveals that 80% of the VAR's sales in 2010 were supported by this functionality — it's that appealing to restaurateurs. Additionally, RM Monitor requires the latest version of Restaurant Manager to run. Bottom line: Gurganus says that DCS' upgrade sales increased by a whopping 100% in 2010 due largely to RM Monitor, because cus-

## Vendor Marketing Support Leads To Quantifiable Sales

There are many reasons why VARs choose to partner with vendors. Common reasons I hear include product reliability, features offered, margins, and being channel-friendly.

VAR Data Control Systems partners with ISV Action Systems, Inc. (ASI) for many reasons, including those above and the fact that ASI Restaurant Manager software contains many of the top features the VAR believes its customers want. However, one of the greatest benefits to partnering with ASI is the help the ISV gives the VAR with marketing to new customers.

faith in marketing. Therefore, his company fell to relying on customer referrals for new business.

However, last year Gurganus was approached by ASI to give direct marketing another shot. While skeptical, Gurganus gave it another try. This time, the results were great.

"Not only did ASI kick in co-op funds to help defray some of the cost associated with our mailings, they provided us with good quality lists and helped us follow up with leads," says the VAR. "ASI also has a lead management system that helps me stay on top of leads that come in. If I'm dropping the ball by not following up in a timely fashion, ASI has helped remind me and, in some cases, prequalify leads for me."

The result? Immediately, the direct marketing has resulted in new business which more than pays for the costs of the marketing. Twenty-five percent of the VAR's business in 2010 came from these new marketing efforts spearheaded by ASI. Even better, Gurganus says the first two months of 2011 were booked solid with installs that resulted from this new marketing.



DATA CONTROL SYSTEMS' SALES BENEFITS FROM CO-OP AND MARKETING MANAGEMENT SERVICES FROM ACTION SYSTEMS, INC. (ASI).

Victor Gurganus, president of DCS, recalls a time period when he handled his own direct marketing efforts for the company. The results were less than spectacular. Essentially, he was getting no ROI and lost

[www.rmpos.com](http://www.rmpos.com)

tomers had to be on the latest version of the software, and, in some cases, had to upgrade hardware as well. This one free product also leads to conversations about other add-on modules DCS offers.

#### 4. Video Surveillance

The last hot technology DCS is selling is video surveillance. How hot? Gurganus says that 60% of his sales in 2010 included video surveillance components. The benefits to restaurateurs primarily are securing the restaurant and monitoring for both employee and customer theft.

The VAR's typical solution includes a PC-based DVR running software from Geovision. Depending on the size of the restaurant, 8 to 16 cameras are installed. Gurganus says that video surveillance installs usually start small as restaurateurs look to keep costs low. However, the VAR often gets a call a week later regarding how great the system is and asking for more cameras to be installed. "Once restaurateurs use these systems, it doesn't take long before we've got cameras covering every inch of the building, inside and out." For cameras, the VAR uses Sony-brand devices. Models used depend on the needs of the situation (infrared cameras used in low- to no-light areas, wide angle in parking lots, etc.).

The Geovision software allows cameras to be viewed from the Internet and even on smartphones. Just as RM Monitor demos hook potential customers, pulling up video of his office or another customer on his iPhone helps Gurganus close video surveillance sales with relative ease.

While the VAR is keenly aware of how lucrative video surveillance sales can be, it wasn't long ago that Gurganus — like many POS VARs — passed up on the business. "For a long time, we would subcontract video surveillance work to a security dealer in our area," he says. "However, when you do that, you put your name on the line. We found that the traditional security dealers in our area didn't have the level of knowledge and expertise in integrating with POS technology. It was easier for us to learn security than for them to learn networking and POS technology. If the customer was going to get a viable solution, we had to begin offering video surveillance ourselves."

At first, DCS began offering video surveillance as a side option, not really thinking about it much. However, Gur-

ganus says that almost every customer the first year bought some sort of surveillance. As an eight-camera install costs customers about \$3,000, with an average margin of around 35%, the VAR earns about \$1,000 on a camera install. That's money DCS used to pass on to someone else.

These four technologies have created what Gurganus believes are the perfect set of offerings to help lead his business to double-digit growth in 2011. Not to minimize the technical expertise, level of professionalism, and sales prowess of Gurganus and his staff, but the technologies being sold by DCS could be the easiest money you ever make. ●

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