

New POS System Provides Unexpected Benefits

The Smokehouse Needs a POS

The Smokehouse, located in Ann Arbor, MI is known for its southern smoked food, St. Louis style ribs, and delicious burgers. All are made from scratch, smoked in their own smoker, and sourced from all-American farmers and ranchers which makes this 230 seat, casual, table service restaurant and bar popular both for dine in guests and catering events. In addition to their delicious food this restaurant owes its popularity and success to their very knowledgeable general manager, Duane Owens. Duane has had years of experience in the restaurant industry and he knows what works, from how to train his bar tenders to how to run a successful customer loyalty program. So when it came time for The Smokehouse to invest in a new point of sale system (POS), choosing the right POS solution was no exception.

Duane knew exactly what he was looking for in a point of sale and he knew, that if he found one that did what he needed, it would pay for itself. "People don't pay enough attention to the small things that will save you money," Duane said about the benefits of a POS system. "For example, when you have



both a bar and restaurant customer clientele, there are some tricky tax issues. I knew that a POS that handled tax well would save us several thousands of dollars a year." The Smokehouse was specifically losing money on customers who ordered their dinner from the bar and needed a POS that would recognize when food items were added to a bar order and automatically recalculate the taxes accordingly. Without this feature, The Smokehouse was forced to pay the sales tax themselves for customers who ordered food from the bar.

In addition to a better handling of taxes, Duane wanted a POS with easy to manage customer loyalty and electronic gift card functionality and the flexibility to allow him to configure his menu and bar items to his specifications. "We were issuing gift certificates manually in a very tedious process," Duane said of his former gift card program. "Money was falling through the cracks."

Enter Pontiac Business Systems and US Foods

To help him find a POS system that would meet his needs, Duane turned to a trusted advisor and Michigan hospitality industry resource, Harvey Mcland the Director of Customer Loyalty for his division of US Foods. Duane had participated in the US Foods Management Workshops that Harvey organized for independent restaurants and knew that Harvey would be a great source for industry advice. He didn't know, however, that not only could Harvey recommend a POS system that would meet all his needs and then some, but that he could also help get him a generous discount on the purchase through the US Foods Resource Advantage program.

Harvey connected Duane with Stuart Perry of Pontiac Business Systems, the authorized Restaurant Manager representative in Michigan. Not only did Restaurant Manger have the capabilities Duane was looking for



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*- Duane Owens,
General Manager*

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and an expert team who could work with him to custom design the system to meet his specifications, but he also saved \$800 on the system cost thanks to the Resource Advantage program.

Stuart and the team at Pontiac Business Systems worked with Duane to design a custom Restaurant Manager system that was suited exactly for The Smokehouse's needs. "My bartenders ring in drinks very differently from how it might be done in other bars," Duane offered as an example of the special programming that he needed on his system. "As part of their training, I want to make sure they know the ingredients in each item so they ring up drink orders by first selecting the type of alcohol in the drink rather than being able to simply select the drink by name."

The Smokehouse's Frequent Diner Program Keeps Customers Loyal

Thanks to the skilled team at Pontiac Business Systems, The Smokehouse's system is installed and running exactly as Duane had hoped and he has already started using its capabilities to their fullest. "I ran an employee contest with some great prizes, including dinner here at The Smokehouse, for the team of servers that signed up the most customers for our new frequent diner program. We had 900 people sign up in the first two months," said Duane.

Thanks to Restaurant Manager's Customer Loyalty module's flexibility and automated reward issuance and tracking, Duane and the team at Pontiac could design and implement a loyalty program that was easy for The Smokehouse's staff to manage and appealing to their customers. Due to its simplicity their customer loyalty program has been wildly successful. Customers do not need to carry cards or present them at the time of purchase; instead they just give their phone number and the Restaurant Manager system tracks their purchases and generates a coupon for them once they have spent \$100. The Smokehouse offers customers a free desert for signing up and that, plus the employee buy-in generated by Duane's contest, accounts for the tremendous enrollment.

The Smokehouse's customer loyalty program entices customers to choose their establishment for their meals from among other restaurant options. "Thanks to our regular customers our sales have stayed steady during these tough times," said Duane. "Our frequent diner program helps us reward our customers loyalty and keep our tables filled."

The loyalty program also helps Duane learn more about his customers and create special promotions tailored specifically to them. With the built-in promotion and coupon capabilities of the Restaurant Manager rewards program Duane is able to deliver tailored promotions to his loyalty club members. He has discovered that customers respond best to special offers issued through Facebook and he can use Restaurant Manager's database to build targeted lists of Facebook users that he wants to reach.

Restaurant Managers Smart Taxes and Superior Reporting Decrease The Smokehouse's Costs

Restaurant Manager's Customer Loyalty module has helped Duane increase his sales and the Gift Card module has helped him and his staff run their gift card program more efficiently. Restaurant Manager's Smart Tax feature has helped him to cut his costs. The problem The Smokehouse was experiencing with the tax calculations for bar customers who ordered food was solved by Restaurant Manager's Smart Tax module which identifies bar transactions that include food and automatically switches the way taxes are processed on that transaction. "This has saved us about \$1000," said Duane.

Restaurant Manager's better handling of taxes and superior reporting features had another, more unexpected cost cutting benefit as well. The Smokehouse was able to realize tax savings on their catering orders as well as on their bar customers. "We are located near several different colleges and hospitals and fill catering orders for these institutions regularly. We had been paying taxes on these sales that should have been tax exempt because our old system did not have a way to track them properly," commented Duane. "Thanks to Restaurant

Manager's reporting capabilities, it is easy to account for these tax exempt sales. We will save \$400 to \$700 in taxes from the catering side of the business now that we are paying a more accurate tax rate."

More Unexpected Benefits

Another added benefit that Duane hadn't expected was Restaurant Manager's RM Monitor service which allows him to keep tabs on his business from his smart phone. "I check RM Monitor 10 to 12 times a day when I am not on site," said Duane. "It allows me to see my sales and labor costs and I have literally cut servers over the phone to keep The Smokehouses labor as percent of sales under control on slow afternoons." The ability to cut unneeded servers even when he is offsite has helped Duane cut his labor costs by 5%.

Wow, That's a Lot of Benefits

Because of Duane's capable leadership, Harvey's great suggestion and industry connections, and Stuart's Restaurant Manager expertise, The Smokehouse now not only has the best burgers east of the Mississippi, they also have a point of sale system that has helped cut costs from unneeded labor on slow afternoons, eliminated miscalculated taxes on catering and bar orders, and freed them from manual steps associated with documenting and tracking gift certificates. They also have a great, simple customer loyalty program that will help increase their customer's average spend, identify and target their most loyal customers, and incent all of their customers to dine with them more often.

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