Chapter 6
Revenue Control Systems in F&B Service

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6.1 Introduction

To control the revenue of a unit, particular attention must be paid to the major factors which can have an influence on the profitability. Therefore it is essential to control the main factors which can affect the revenue of a business, such as the menu-beverage list, the total volume of food and beverage sales, the sales mix, the average spend of customers in each selling out-let at different times of the day, the number of covers served and the gross profit margins.

It is important to note, particularly in commercial operations that somewhere in the total control system there is a need for the accountability of what has been served to the customer and the payment for what has been issued from the kitchen or the bar.

The payment for food and beverage may be made in many forms such as cash, foreign currency, credit cards, cheques, travellers' cheques, luncheon type vouchers and signed bills.

All staff handling cash should be adequately trained in the respective company's methods. It is a common practice for a cashier's or waiter's handbook/manual to be produced so that an established procedure may be followed with the specific aim of ensuring that cash security is efficiently carried out at all times.

There are two basic approaches to recording and controlling food and beverage sales.

1.   <u>A manual system</u>: Which is commonly used in small and in exclusive type catering units.

2.   <u>An automated system</u>: Which is commonly used in units with several outlets, in units with a very high volume of business and in up-to-date companies with many units

6.4 Manual Systems – Sales Check and its disadvantages

 One of the simplest steps to take when attempting to establish sales control-procedures is to require that each item ordered and its selling price are recorded on a waiter's sales check. Using some form of a check system serves the following functions:

1. To remind the waiting staff of the order they have taken.

2. To give a record of sales so that portion sales and
    sales mixes and sales histories can be compiled.

3. To assist the cashier and facilitate easy checking of prices charged.

4. To show the customer a detailed list charges made.

An additional aid is to use numbered checks and control
 these tightly, recording all cancelled and missing checks.

It is more common to find duplicate or triplicate checks being used as an aid to control for the following reasons: They provide the kitchen, buffet, or bar with a written record of what has been ordered and issued.

1. They authorize the kitchen, buffer, or bar to issue the food and /or beverage.

2. They provide the opportunity to compare the top copy of the check with the duplicate to ensure that all the goods had been issued has been charged and paid for.

Problems of the manual system

In brief, the basic problems of controlling any food and beverage operation are:

1. The time span between purchasing, receiving, storing, processing, selling the product, and obtaining the cash or credit for the product, is sometimes only a few hours.

2. The number of items (food and beverage) held in stock at any time is high.

3. A large number of finished items are produced from a combination of the large number of items held in stock.

4. The number of transactions taking place on an hourly basis in some operations can be very high.

5. To be able to control the operation efficiently, management ideally requires control in formation of many types to be available quickly and to be presented in a meaningful way

The full manual control of a food and beverage operation would be costly, time consuming and data produced would frequently be far too late for meaningful management action to take place.

The day-today operational problems of a manual system are many and include such common problems as:

1. Poor handwriting by the waiting staff resulting in:

a) Incorrect order given to the kitchen or dispense bar

b) Wrong food being offered to the customer.

c) Incorrect prices being charged to the customer.

d) Poorly presented bill for the customer, etc.

2. Human error can produce such mistakes as:

a) Incorrect prices charged to items on a bill

b) Incorrect additions to a customer's bill

c) Incorrect service charge made

d) Incorrect government tax (for example VAT) charge made.

3. The communication between departments such as the restaurant, dispense bar, kitchen and cashiers has to be done physically by the waiting staff going to the various departments. This is not only time consuming but inefficient.

4. Manual systems do not provide any quick management information data, any data produced at best being normally 24-28 hours old, as well as being costly to produce.

5. Manual systems have to be restricted to the bare essentials because of the high cost of labour that would be involved in providing detailed up-to-date information.

Pre-set Pre-checking System

This is an up-date on the basic pre-check machine. The keyboard is much larger than the previous machines, and has descriptive keys corresponding to all items on the menu which are pre-set to the current price of each item. A waiter pressing the key for, say one cheeseburger would not only have the item printed out but also the price. A control panel, kept under lock and key, would enable management to change the price of any item if required, very quickly. It is also possible to have a running count kept of each item recorded and at the end of a meal period by depressing each key in turn to get a print out giving a basic analysis of sales made

Pre-Checking System (NCR)

- A blank sales check
- Waiter's machine number.

- A machine that operates by insertion of sales check into the printing table to the side of the machine and on use of the individual machine key number by the waiter which is assigned to him.

The machine is operated in the following way.

1.   A waiter has his/ her own machine key.
2.   A check is inserted into the printing table and the particular keys, depending on the order taken, are pressed giving an item and price record as well as recording the table number, the number of covers and the waiter's reference number.
3.   A duplicate is printed and issued by the machine which is then issued as the duplicate check to obtain food and/or beverages.
4.   For each transaction a reference number is given on the sales check and the duplicate.
5.   All data is recorded on a continuous audit tape that can be removed only by authorized persons at the end of the day when the machine is cleared and total sales taken and compared to actual cash received.

The advantages of the system are:

1.   The sales check is made out and a record of it made on the audit tape before the specific items can be obtained from the kitchen or bar.
2.   Analysis of total sales per waiter is made on the audit tape at the end of each shift.
3.   No cashier is required as each waiter act as his/her own cashier, each keeping the cash collected from customers until the end of the shift and then paying it in.
4.   As each waiter has his/her own security key to operate the machine, there is restricted access to the machines and no other way by which pre-checks can be provided and used in exchange for items from the kitchen or bar.

Electronic Cash Registers (ECR's)

These are very high speed machines which were developed mainly for operations such as super- markets and were further adapted for use in high volume catering operations. The particular advantages of these machines are that they will:

1. Price customers' checks through preset or by price look-ups.

2. Print checks, including the printing of previously entered items.

3. Have an additional special key-so that the pre-set price can be changed during promotional periods such as a 'happy hour' in a bar.

4. Provide an analysis of sales made by type of product and if required by hour (or other similar period) of trading

5. Provide an analysis of sales by waiter per hour or per shift period.

6. Analyze sales by method of payment for example, cash, cheque, type of credit card, etc.

7. Complete automatic tax calculations and cover and service changes.

8. Provide some limited stock control.

9. Provide waiter check-in and checking out facilities.

10. Provide facilities for operator training to take place on the machine without disrupting any information already in the ECR.

11. Restrict access to the ECR and the till drawer by the key or code for each operator.

12. Have rotating turret displays of price charged to individual customer transactions. This is of particular value in self-service and counter operations.

13. Eliminate the need for a cashier, by requiring each waiter to be responsible for taking payment from the customers and paying in the exact amount as recorded by the ECR at the end of each shift.

Point-of-Sale Control Systems

At a basic level a point-of-sale control system is no more than a modern ECR with the additional feature of one or several printers at such locations as the kitchen (or sections of the kitchen) or dispense bar. Some systems replace the ECR with a 'server terminal' (also called 'waiter communication' systems), which may be placed at several locations within a restaurant, and is a modification of an ECR in that the cash features are eliminated making the terminal relatively small and inconspicuous.

The objectives for having printers are:

1. To provide an instant and separate clear and printed order to kitchen or bar, of what is required and by and for whom.

2. To speed up the process of giving the order to the kitchen or bar.

3. To aid control, in that items can only be ordered when they have been entered into the ECR or terminal by an identifiable member of the waiting staff and printed.

4. To reduced the time taken by the waiter in walking to the kitchen or bar to place an order and, as frequently happens, to check if an order is ready for collection.

5. To afford more times, if required, for customer contact.

Printers are at times replaced by VDU screens. Server terminals are part of a computer-based point-of-sale system. These special terminals are linked to other server terminals in the restaurants and bars within one system and, if required to, also interface with other systems so that, for example, the transfer of restaurant and bar charges may be made via the front office computer system. The advantage of a computerized point-of-sale system is that it is capable of processing data as activities occur, which makes it possible to obtain up-to-the minute reports for management who can be better informed and able to take immediate and accurate corrective action if necessary.

Electronic Server Pas (ESP)

Is a palm-size unit which uses radio frequencies to communicate from the guest's table direct to the kitchen and bar preparation areas. The use of such a terminal offers a number of advantages:

• food and beverage orders are delivered faster and more efficiently to preparation sites; waiters in turn can attend more tables;
• with a two-way communication service staff can be notified if an item is out of stock; all food and beverage items ordered are immediately charged to the guest's bill, which is accurate and easy to read;
• finally, operations can reassess their labour utilization and efficiency, certain members of the service staff, for example, can take the simple order, while others can spend more time with customers to increase food and beverage sales.

The ESP is a completely noiseless terminal with orders being entered alphabetically, numerically or by using pre-set codes.
When not being used and the unit is closed, its design resembles a conventional order pad, compact and light in weight that can easily be carried around by service staff.
It is currently being utilized in a variety of situations, including restaurants.

6.6 Well known Software/ POS used in F&B Service

More than ever, operating a profitable restaurant requires controlling cost while increasing sales. Ensuring performance against these critical objectives means that selecting the right technology solution could be the most important investment decision you will make.

To build efficient operations, provide the experience that your guests expect and achieve healthy growth, your technology solution should consist of seamlessly integrated components that maximize your existing asset and minimize costly new integration projects while easily increasing your operational capabilities over time.

Today, almost all software would offer:

• Procurement
• Inventory Management
• Supply chain management
• Recipe management
• Point of sales
• CRM
• Business Intelligence

Depending on the volume of your business, budget and type of clientele; you will want to pick or choose one system over another.

6.6(Opera, Fidelio, Micros, IDS) - Important Features

Hotels/restaurants know how important it is to use the right property management point of sale software in order to thrive as a business. Micros offers the Opera software package that enables hotels to take care of every aspect of the hospitality industry with the click of a mouse. Hotels that use the OPERA Property Management software package have all the tools available at their fingertips to ensure the smooth operation of the hospitality business.

• Handling reservations, checking in guests, managing inventory and billing are just some of the daily tasks a hotel has to manage which requires software that can be easily configured to meet their needs.
• The OPERA Property Management software can operate for either a single hotel property, or several hotel properties which allows them to share a single database.
• This software package comes integrated with the OPERA Sales and Catering, Gaming and Comp Accounting, Vacation Ownership System, plus other Micros hospitality software created under the OPERA label that will aid in the smooth and efficient operation of a hotel.
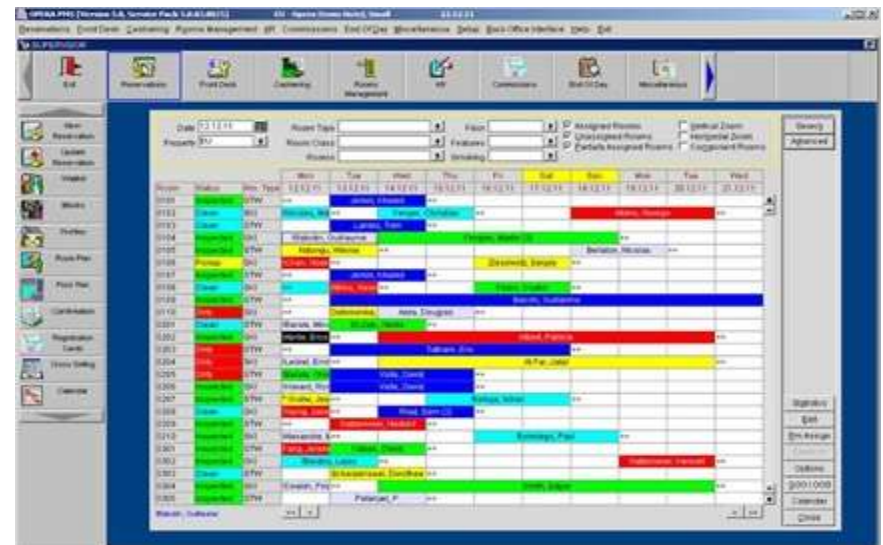
Fidelio is a complete integrated system package designed to achieve maximum efficiency of the hotel. This PMS is produced in Munich, Germany, advanced version 6.20.

•It is DOS- based and the newer version-OPERA-is Oracle-based.

•It can protect its software from all sorts of virus. If a virus enters the system, it is transferred to a non- usable file from a database file in order to save the other files.

•It is flexible and easy to use the software.

•It can be easily operated with a minimum of training inputs.

•The red alert software can be used for extra protection of files from the virus.

FIDELIO offers over 360 separate standard reports. Reports can be customized for each hotel/restaurant and new reports may be created as needed using FIDELIO's built-in Report Writer.

MICROS is a robust POS solution that contains an array of products specially designed for businesses in the fields of hospitality and restaurant. Each of the features the product has is scalable, which makes the system a helpful solution in addressing varying requirements and needs that are constantly evolving. The tools within the solution are developed and distributed as a turn-key system that enables the solving of different processes and aspects in the hospitality and dining industries. They can also be tailored to address the needs of specific environments such as quick service, kiosks, table service, and even a stadium with 75,000 seats.

Main features of MICROS Retail are:

•Video Security
•Reporting and Analytics
•Inventory Management
•Kitchen Display Systems
•Image Vault
•MICROS Digital Menu Boards
•Mobile
•WebOrdering
•Labour Management

IDS or internet distribution system is one of the most important tools in promotion of the hotel globally. IDS for hotels is highly recommended which has pioneered online booking and reservation of hotel rooms or restaurants worldwide

- GST ready
- Automatic Patch Management.
  This will enable the clients to down load updates/releases from IDS automatically.
- Reports can be generated in PDF format. Thus, it eliminates the chances of misuse.
- Streamline Operations and enhance operational capabilities across all the outlets
- Do away with extensive manual data entry process that is prone to error and time consuming
- Efficiently manage inventory across outlets
- Gain clear visibility into sales and revenue
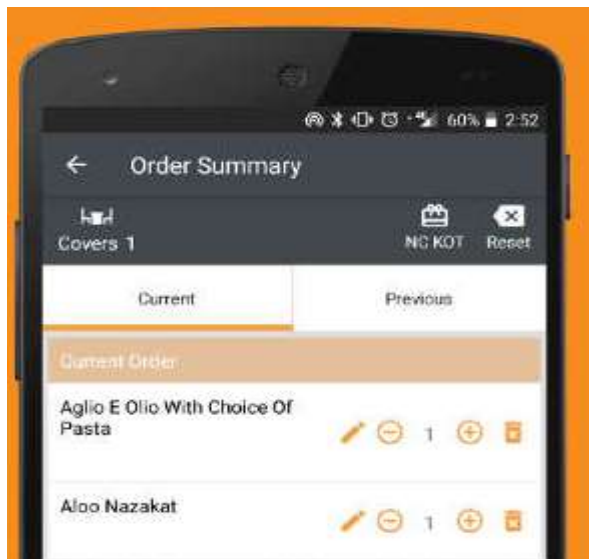
6.7 Innovations and latest trends
 (Web based, Cloud,Wireless,iPad,Mobile applications)-Important Features

Below is the list of top 5 POS softwares for restaurants in India, that are actively used in 2020.

1. SlickPOS
SlickPOS is a cloud-based POS software for restaurants, cafe, bakery, food trucks & cloud kitchens. SlickPOS provides end-to-end restaurant management tools like order management, inventory with recipe, online orders integration, customer feedback etc.

What's good about SlickPOS?
SlickPOS is one of the modern POS software for restaurants in India. The user interface if fast and hardly requires any training. There is a live chat supp with instant callback all 365 days a year.

For online orders integration, SlickPOS uses a premi
 service that also powers large chains like Pizza Hut,
 Eat Fit, etc.
Menu integration allows to change the Swiggy, Zoma
or Uber Eats menu instantly from the POS.
SlickPOS is also one of the most affordable solutions
 with easy to get started free trial and monthly plans.
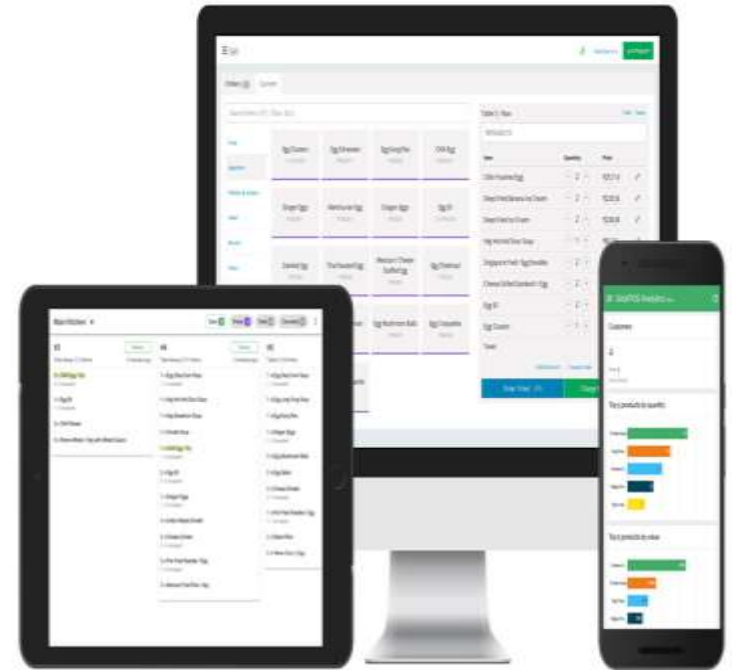
2. GoFrugal

GoFrugal is one of the most popular players for retail POS. Their cloud-based restaurant POS is called ServQuick and caters to restaurants and fast-food outlets.
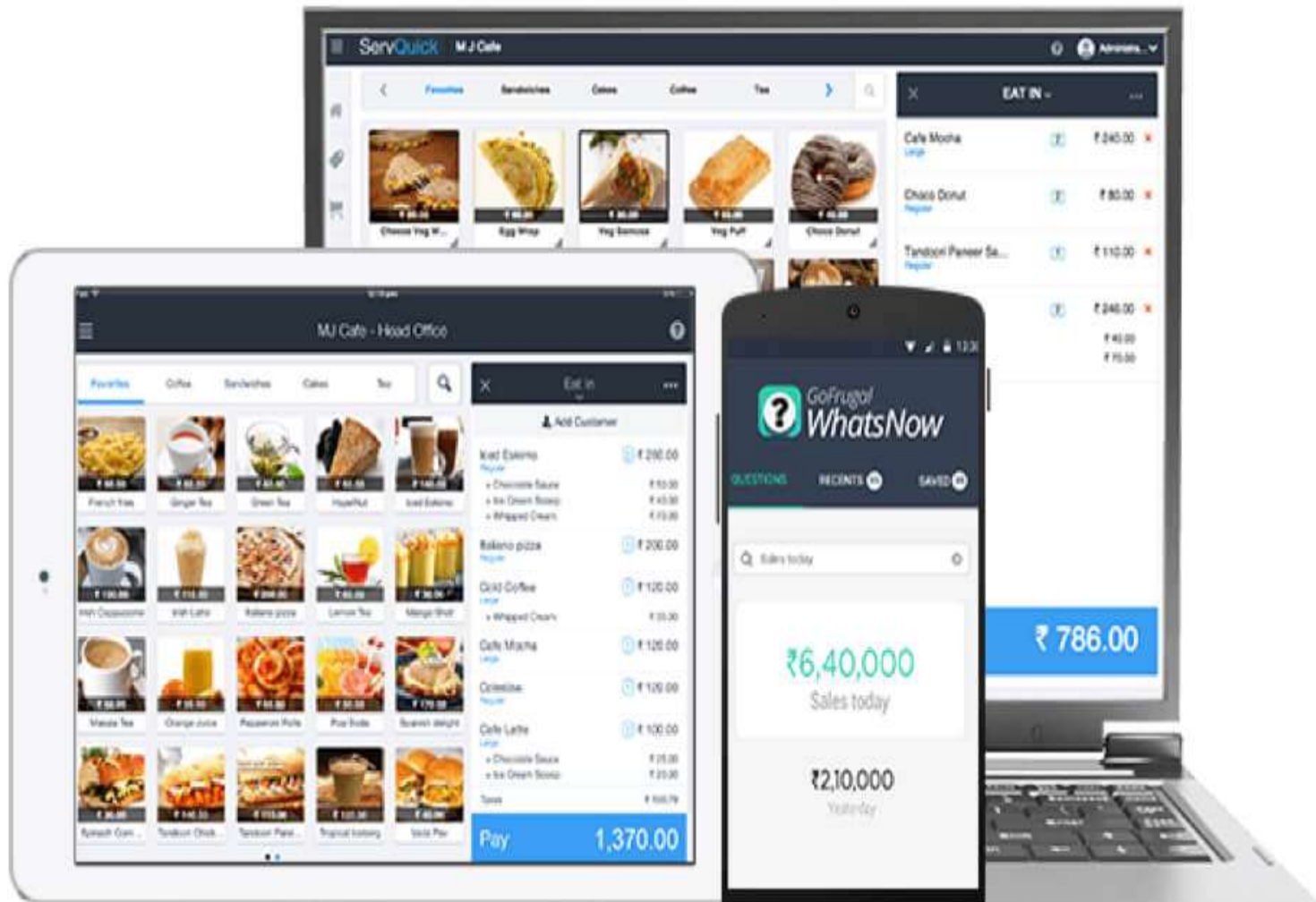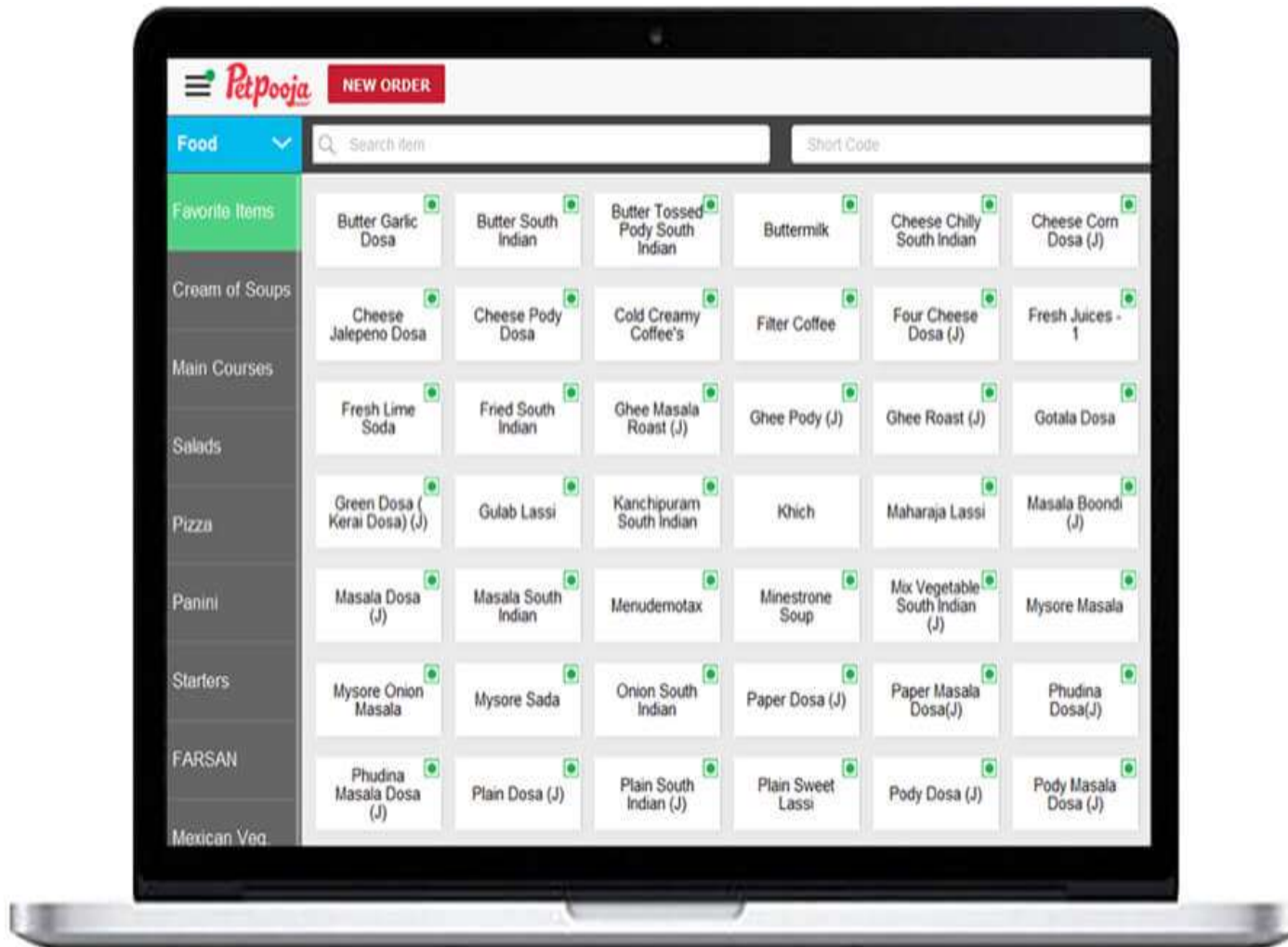
3. POSist
POSist is another POS player who has been operational in India for a long time.
POSist works on the browser and also has a lite version for Android.
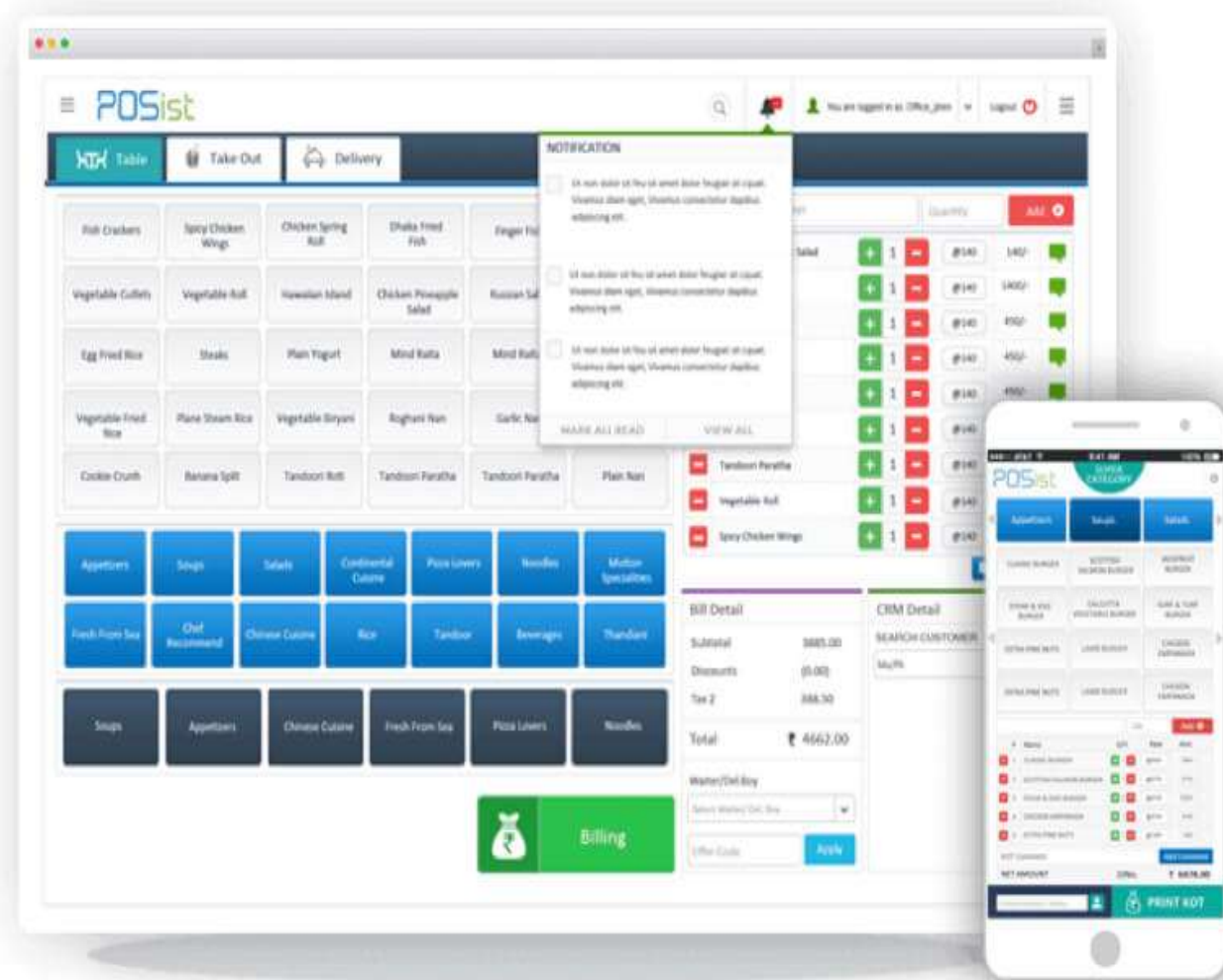
4. Petpooja
Petpooja is a POS that's focused on Indian restaurants. Just like the other players mentioned here, Petpooja offers a full suite of products for restaurant management.

5. Torqus

Torqus provides POS, Inventory and Supply Chain Management tools for the Indian restaurant industry. Times Internet's Dineout has recently acquired Torqus.