

Are There Business Benefits To Web Based Technology?

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All Corporate Retailers face a number of challenges when operating a large numbers of outlets: the polling of data with significant manipulation at head office, the provision and immediacy of information, tight control of labour, stock and cash to name a few. Coupled with this, hospitality outlets have additional burdens to overcome – smaller turnover sites, a mobile workforce, lack of space for offices and the need to keep IT spend low. Add to this the economic climate, competition, consolidation in the sector and the desire to improve shareholder value has led to a lack of IT investment and subsequently a number of legacy systems which Hospitality Retailers need to replace.

The ability to address business problems will be the driving force behind IT investments well into the future. Cost justification for any IT expenditure, including the introduction of next generation systems, must have a line item that includes payback alongside a competitive edge. Is the business case for web based solutions within the hospitality market powerful enough to justify the investment and drive the sea change?

Harnessing the internet has created major opportunities for Operations, Finance and IT Directors to deliver significant added value to their companies in many aspects of their business. The adoption of a web based stock system coupled with improvements in the supply chain could gain a margin improvement of at least 1% to 2% but adopting new technology solutions often requires a significant change in business processes. Is the hospitality marketplace ready to jump ahead of its retail cousin or will it wait and watch to see how this technology develops before making the leap towards the world wide web?

Alphameric Hospitality, a leader in the provision of systems for the leisure market, opted to change their direction over 5 years ago, moving from 32 bit applications to developing a web based ERP solution. Now a proven, functionally rich product suite with considerable ongoing investment their solution already has in excess of 600 web based installations under its belt and is winning an ever increasing share of the potential market.

For the early adopters who embraced Alphameric Hospitality's offer the benefits were easy to justify. James Fowler, Finance Director at Costa Coffee made the decision to roll out this web based solution in 2002. Now fully implemented across all Costa outlets a reduction in the managers administration tasks, improvements in wastage and procurement and real time information are early indicators that the return on investment is recognised. Ongoing strategic developments show Costa's to be a long term decision which is paying dividends. Similarly Richard Kelly, Finance Director at Deep Pizza Pan, rolled out the solution across his estate in 2003. Deep Pan has moved from paper based manual processes to a totally outsourced Hosted web solution which gives Richard operational visibility, valuable sales mix, cash and stock information 24/7 without the need to have a back office in each site as the system can be run from a PC based touch till.

So how do these systems work? Traditionally, hospitality systems have had data stored both at outlet and head office but now all functionality is available centrally via the internet, from any location. Data is stored at a central server location and accessed via browsers at the outlet, area, head office or any location required. The advantages of a web based system are significant; bringing improvement in flexibility, data communications, updates, maintenance (both hardware and software) lower running and support costs. Being web based the software is modular and can be drip fed through the organisation according to the priorities of the business with the minimum

of impact and at low costs removing the need to visit sites or configure PC's at regional or head offices.

So is this the future direction for the hospitality industry as a whole? Are companies that have recently invested in new EPOS systems or do not want to change their legacy systems forced to wait until it is time to replace their entire EPOS estate? In this time of mergers and acquisitions across the pub, restaurant and leisure markets, mixed EPOS estates are becoming increasingly common. As Steve Mansfield, Managing Director of Alphameric Hospitality says "The fundamental value of web based solutions for the hospitality market as a whole lies in accommodating legacy systems. By doing this, we ensure that everyone can take advantage of additional business benefit today, whilst ensuring that the platform for the future is capable of providing additional benefits as technology, systems and communications continue to improve into the 21st Century"

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