

Now that Chapter 1 has helped you understand how businesses use data, information, and information systems, let's reexamine the *Kimball's Restaurant* case. Michael is spending significant time entering the restaurant's sales data. He does not have the time to manage the business during its operating hours as well as maintain the financial records. He is responsible for rent payments, sales tax reports, and paying suppliers for operating expenses and materials. He needs a better system to maintain the guest check and meal information for forecasting.

What Is Your Advice?

1. What would you suggest to Tyler to improve the restaurant's operational efficiency? Examine the business's inputs, processing, and outputs. Formulate recommendations to streamline the business transactions. What type of reports do Liz and Michael need? How would you alter the back-office work to better suit their needs?
2. Based on Tyler's request, his parents provided some questions. Michael knows that some meals are selling better than others, but he can only guess which ones. What sales and operational data do they need to maximize revenues and profits while minimizing costs? What data will help them to make decisions on how to operate

and manage their business? What information technology system(s) would you recommend for gathering and reporting the necessary information?

New Perspectives

1. The restaurant industry is not static; new competitors and challenges always arise. Consider the following challenges:
 - *Economic trends.* When economic downturns occur and disposable income decreases, consumers tend to dine out less. Dining establishments need to be creative in order to counteract the possible loss of sales revenue.
 - *Operational efficiency.* Like any business, *Kimball's* has both fixed and variable costs. Fixed expenses can be budgeted and planned. However, the variable expenses, if not managed properly, can reduce profit and cash flow rather quickly.
 - *Marketing and promotional data.* The former owners did not gather and report any data on their operations for analyzing marketing trends. What can be done differently?
2. Explain how information technology and systems can help *Kimball's* to comply with gathering this data.