

KIMBALL'S RESTAURANT: Business Systems and Information

The restaurant has been operating successfully for three years. Although they experienced challenges, Liz and Michael believe that they developed a great dining establishment. Sales forecasts have steadily increased over the last three years. Thankfully, the growth was not so fast as to cause any "growing pains" or problems with their business. Michael found that during most weeks, they had reservations for 50 to 100 percent of their dining capacity.

Processing Orders and Payments

Michael believed his analysis was fairly accurate, but it took a lot of effort to compile his information. The servers wrote the customer orders on multipart paper checks. One copy of these checks went to the kitchen for preparation. The server tabulated totals on the original copy and gave it to the customer when the meal was complete. At that point, the customer paid the cashier directly with cash or a credit card and the hardcopy of the check was saved. Several times a week, Michael used the paper checks to enter the sales and table information in an Excel spreadsheet for analysis. Because he was so busy with other operational priorities, the spreadsheet data entry and subsequent analysis was often delayed.

The restaurant processed its payroll through a local service. Employees maintained their timecards manually. Each week, the timecard data was validated by Michael and sent to the payroll service for processing and check printing. Michael was not comfortable with the manual entry of employee time punches, but he did not have a simple, cost effective alternative.

Michael used a small business accounting package to track the restaurant's expenses, process payable checks to suppliers, and record deposits. The software was easy to use and provided the balance sheet and income statement needed for the business. It also generated the required tax information for his accountant to file the appropriate tax forms. However, it did not track a level of information needed for analyzing the business operations and forecasting sales. From his experience in human resources, Michael understood the need for quality data and business information. At his former employer, the information technology department provided that expertise and assistance. Unfortunately, those skills were not available at the restaurant.

Michael knew that his time was limited and that he needed to focus more on the operations rather than data entry, but he also wanted to collect and analyze data about his business to manage it and plan effectively.

Their son, Tyler, finished his education to complete a business degree, specializing in marketing and

management. He had worked in the restaurant during the summers and semester breaks as a busboy and server so he had some familiarity with the business. He was also anxious to gain more experience to try out some of the skills he had learned in business school. Liz and Michael decided it was a good time for Tyler to join the business.

Defining the Problems

Michael told Tyler that he would like to streamline the front- and back-house operations and gather more information for analysis without relying on manual data entry. Tyler understood the challenges because some of the problems in these areas were directly related to issues that Tyler encountered while he was a server at the restaurant. The issues could be categorized into two areas: completeness and accuracy of guest check information, and check payment.

Because the guests' orders were handwritten, sometimes parts of the orders were not legible. In addition, especially with new servers, some of the information needed to complete a meal was either inaccurate or incomplete for that meal choice (cooking preferences, toppings, special preparation). This issue added time for the server and cooking staff as well as reduced customer satisfaction. Check payment was another problem. Often, it was not clear to the customers whether they should pay the server or the cashier. Michael wanted to control the cash and credit-card processing at a central location, but was willing to review this policy.

Tyler talked to the servers and kitchen personnel to gain perspective on the guest check and payment problems. The staff was pleased to be asked for input. They confirmed that guest check accuracy and payment were issues, but additional issues were uncovered. As in many restaurants, at Kimball's the servers were responsible for any checks not paid by the customer. However, it was impossible for the server to know if the customer paid the cashier or left without paying. The servers would prefer that customers settle their payment directly with the server so that they could know if a customer has paid. Servers also conveyed that even when they wrote out the order legibly and completely, meals sometimes were not prepared properly. The kitchen staff said that changes to guest orders are often "rushed" and disrupted the completion of other meals in progress. On many occasions, servers submitted changes after the order was ready to deliver to the table. Kitchen staff said a new process was needed to communicate order changes before the table's meals were cooked. Unfortunately, it was impossible to tell