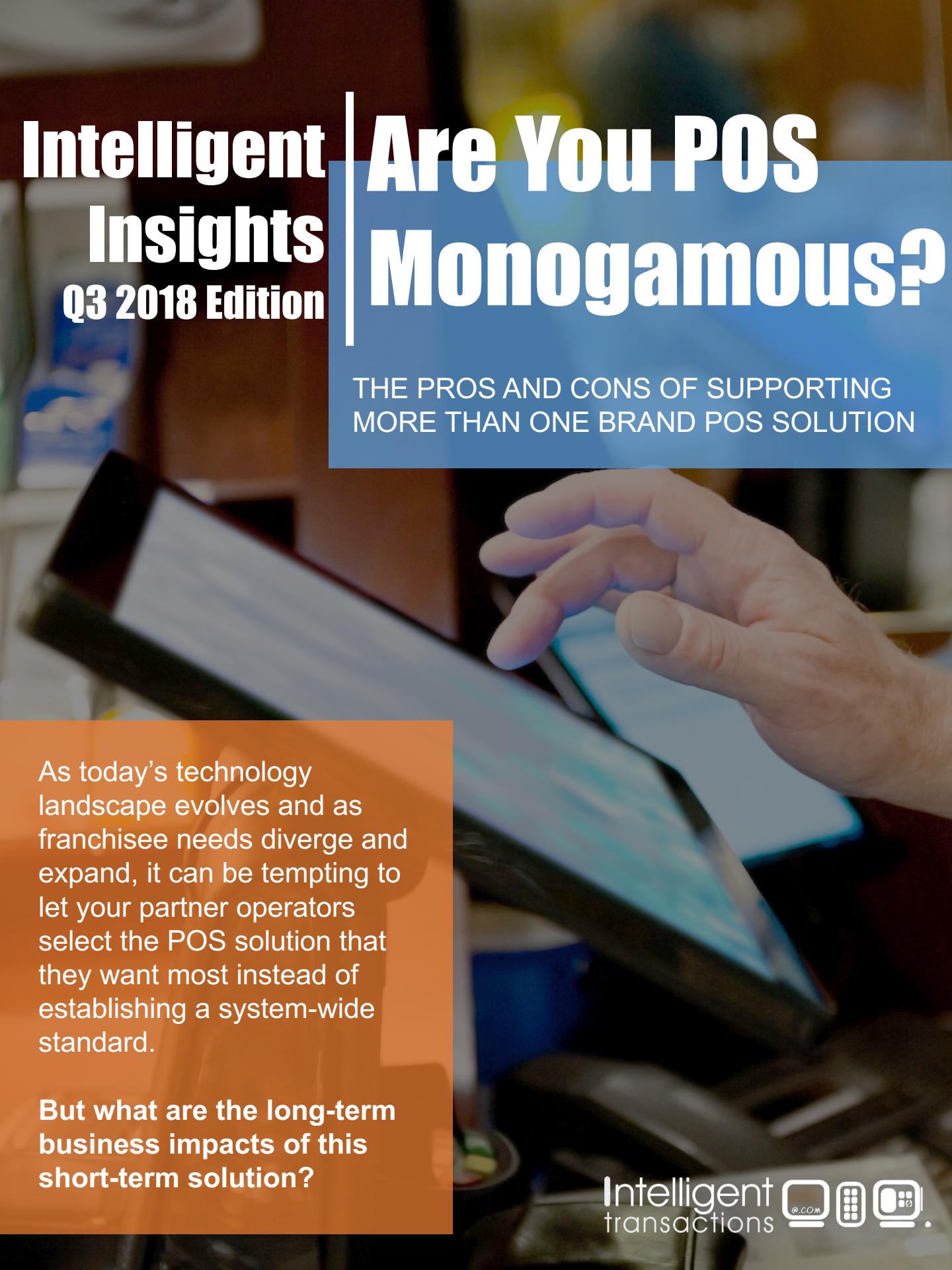


Intelligent Insights

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Are You POS Monogamous?

THE PROS AND CONS OF SUPPORTING MORE THAN ONE BRAND POS SOLUTION

A close-up photograph of a person's hand interacting with a touchscreen display of a point-of-sale (POS) system. The screen shows a blurred interface with some blue and white elements. The background is dark, suggesting an indoor setting like a restaurant or shop.

As today's technology landscape evolves and as franchisee needs diverge and expand, it can be tempting to let your partner operators select the POS solution that they want most instead of establishing a system-wide standard.

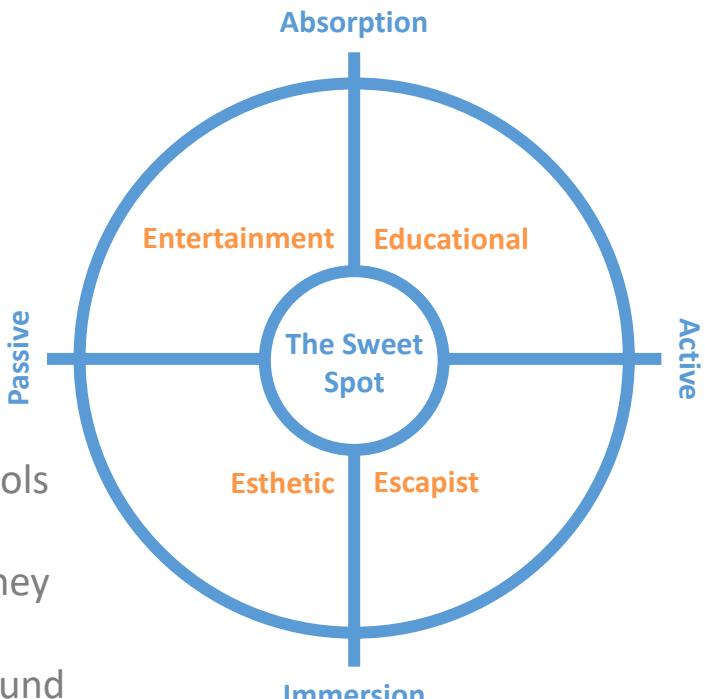
But what are the long-term business impacts of this short-term solution?

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What is the Experience Economy?

As global consumers increasingly adopt digital tools in their daily lives, their expectations around how they interact with brands is evolving to be centered around convenience and experience.



This rapid market transition is initiating a new era called the Experience Economy, where consumers expect their relationships with companies to include unique and memorable experiences. These experiences should be entertaining, yet educational; esthetic, yet escapist. Brand that can land in the “Sweet Spot” can turn first-time customers into regulars, and regulars into raving fans. This should be the focus of your innovation efforts.

While convenience may be king, experience still has the check mate.

While the “Amazon Experience” of on-demand convenience is dominating retail, in-person experiences are still sought after in the world of foodservice. Brands are now turning to new POS technology to enable experience innovation.

2019's POS Environment

If you've been to a foodservice industry conference over the last several years, you will have likely noticed a growing presence of new point of sale (POS) technology providers joining the show floor alongside of industry veterans such as Oracle and NCR. Each of these vendors bring interesting new technology to the attention of your franchisees and operators as they walk the show, highlighting ways to solve complex business problems such as delivery and mobile order ahead.

Chances have it that, as a brand IT leader, you've received a few requests from your franchisees to look into a solution that they saw at one of these shows.

While accepting demos of a promising piece of software can

always be mutually beneficial, you probably realize that its not so easy to simply plug a new piece of technology into your ecosystem; There are considerations to review, committee meetings to have, and detailed proposals to assess.

The daunting nature of evaluating a system-wide technology solution, as well as balancing the diverse set of needs and wants presented by franchisees, has led many brands towards a "hunting license" model for technology; corporate performs a review and places their stamp of approval on several solutions, and allows the franchisees to choose from a preferred vendor list. **What are the pros and cons to this approach?**

Pros of Two-Timing Your Tech

We've worked with a number of brands that stand by their decision to allow multiple POS solutions to participate across their system. Some of the key benefits expressed by these brands include:

Less Reliance on One Vendor

Being single-sourced can pose a problem when things hit the rocks with a vendor. Whether it be a dispute around commercial terms or a failure to meet SLA targets, turbulence in a one-provider POS ecosystem can feel much more painful.

More Franchisee Flexibility

Most brands agree that operational and guest needs can vary by franchisee and market. Offering multiple technology

options has been reported to yield a more positive franchisee reaction due to the fact that they have the power to choose a solution that best suits their unique needs and financial objectives.

Finding the Best of Breed by Market

With many geographically dispersed brands, vendor technology support is not always consistent from market to market; some areas may have very responsive installation teams, while others are stuck with an option a state away. Increasing the number of available technology providers increases your operators' ability to pick the right fit for their market.

Cons of Playing the Vendor Field

While some brands find success in allowing their franchisees to select an available technology option from a preferred list, others have encountered significant business pain as a result. Some of the downsides include:

Inconsistent Data & Reporting

Different systems may offer different benefits, but they also come with different approaches to structuring and presenting their transactional data. When supporting multiple systems, it can become difficult to have a single source of truth around your data.

Siloed Enterprise Management

Most enterprise-grade POS solutions provide their own EM

tools to manage menus, prices, and other key configurations. While very useful when one solution is in place, using EM tools across multiple POS solutions often introduces additional complexity, such as having to re-key configurations, which can result in mistakes and inconsistencies.

Slowed Ability to Innovate

Adding new technology features to support emerging business capabilities, such as delivery and kiosk, often requires custom work if the features need to be tailored to your brand. Having to coordinate custom development across several POS vendors introduces a significant increase in cost and time to system-wide rollout.

Key Things to Consider

The decision to allow franchisees to play the role of technology decision maker isn't an easy one; there certainly is not a clear right or wrong answer.

The hunting license model helps some brands maintain trusting relations with their franchisees, while it hurts others brands ability to have operational and reporting consistency.

The key considerations to include on the journey toward the selection of new POS strategy should encompass:

- Your top-line business objectives;
- Your relationship with your franchisees;
- Your franchisees' involvement in corporate decisions;

- Your ability to acquire rights to the source code for the technology;
- The degree of partnership with the vendor;
- The diversity of your markets.

If your business aims to improve consistency and simply technology support, and you also have a strong partnership with your franchisees, it may make sense to pursue a **unified POS strategy**.

If your business is geographically dispersed and focused on providing very custom localized market-based experiences, or if you struggle with buy-in from franchisees, it may make more sense to follow a **hunting license POS strategy**.

Don't go it alone, partner with ITL

We are store technology consultants & restaurant industry experts who specialize in crafting fit-for-purpose POS strategies for large, franchised foodservice brands.

What We Do

We assist brands in achieving their top level business objectives through crafting informed, engaged, and effective technology strategies.

How We Do It

Through leveraging market insight, a team of proven specialists and experts, and comprehensive data to create a purpose-built strategy for brands.

What Sets Us Apart

By engaging with brands holistically. We ask the right questions of the right people to establish a true view into each brand's culture, pain points, activities, and goals.

Learn More: www.IntelligentTransactions.com