ORACLE®
Food and Beverage

THE POWER OF CLOUD FOR
FOOD AND BEVERAGE OPERATORS

What Every F&B Executive Needs to Know

ORACLE®

HOW TO COMPETE IN FOOD AND BEVERAGE

The most successful food and beverage enterprises are able to do many things better than their competitors: deliver same-store sales growth; open new stores and concepts quickly; know what their customers want and deliver it consistently; measure performance and respond to opportunities; keep costs to a minimum... the list goes on.

The good news for food and beverage executives is that there is a way to make these goals more achievable: cloud technology.

CLOUD IS NOT JUST A CONSIDERATION FOR THE IT DEPARTMENT; IT CHANGES THE WAY THAT YOUR ENTIRE BUSINESS OPERATES, BRINGING BENEFITS TO EVERYONE.
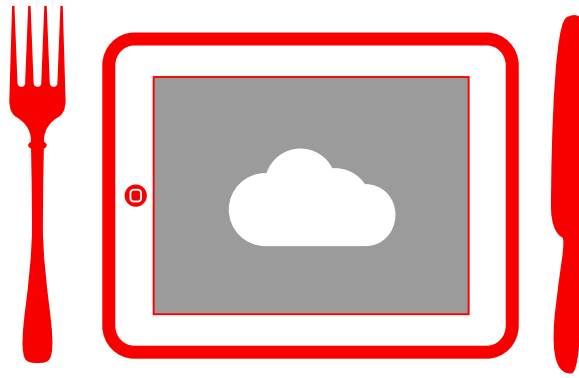
70%

OF COMPANIES HAVE ADOPTED CLOUD COMPUTING, ACCORDING TO A HARVARD BUSINESS REVIEW SURVEY[1]

74%
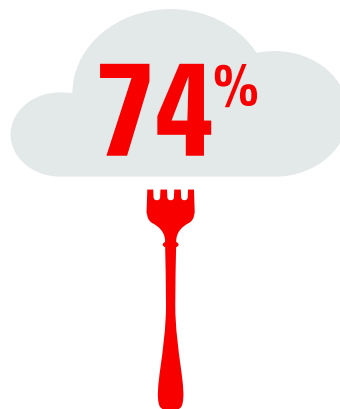
OF COMPANIES SAY THAT CLOUD HAS PROVIDED THEIR ORGANIZATION WITH COMPETITIVE ADVANTAGE[1]

[1] https://hbr.org/resources/pdfs/tools/Verizon_Report_June2014.pdf

HOW CAN CLOUD TECHNOLOGY HELP YOU?

+ Open new locations faster at reduced cost

+ Reduce IT costs to reallocate investment

+ Respond more quickly to opportunities

+ Improve data security and protect your brand

+ Make your brand more relevant to today's consumers

+ Increase revenue opportunities with off-premises ordering

+ Reduce the time and cost of technology upgrades

+ Maintain consistency through centralization while maintaining local flexibility

+ Influence decision-making with better data

+ Engage your guests with mobile technology

+ Leverage your mobile investment for staff engagement

+ Expand globally with greater ease and efficiency

+ Control staff and inventory costs

+ Reduce staff turnover

+ Let hospitality team members focus on hospitality, not IT

+ Engage on social media more effectively

+ Make it easier to comply with standards and regulations

Read on to find out how cloud can help you achieve these goals.

WHY IS CLOUD TECHNOLOGY SO IMPORTANT TO THE FOOD AND BEVERAGE INDUSTRY?

WHY SHOULD ALL EXECUTIVES, FROM THE CHIEF EXECUTIVE TO THE CHIEF MARKETING OFFICER, BE CONCERNED ABOUT SOMETHING THAT HAS TRADITIONALLY BEEN THE DOMAIN OF THE IT DEPARTMENT?
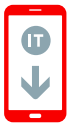
+ Cloud allows you to cut IT costs, which allows money to be reallocated elsewhere. This might be **opening more locations, refurbishing existing premises, branding, marketing, staff training…** whatever makes your business more competitive.

+ Cloud helps cut IT complexity, which means you can open new outlets faster, **update systems at the click of a button** without lengthy and expensive roll-out programs, and get access to all-important performance data more easily.

+ **Cloud gives you greater speed and agility—**whether that means introducing new menus and promotions within days instead of months, or being able to respond to customer concerns, for example that waiting in line is preventing them from visiting more frequently or that paying the check takes too long.
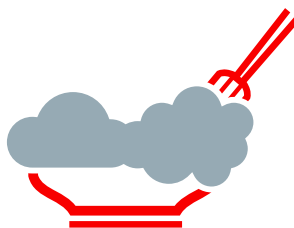
THAT'S THE SHORT ANSWER. THE LONGER ANSWER IS THAT CLOUD TOUCHES EVERY ASPECT OF A FOOD AND BEVERAGE OPERATION, BRINGING ADVANTAGES TO EVERYONE WITHIN THE BUSINESS AND MAKING THE ENTIRE COMPANY MORE COMPETITIVE. WE EXPLORE SOME OF THESE ADVANTAGES BELOW.

+ Expand faster at reduced cost.
Cloud gives you the ability to **open new locations faster, with less upfront investment.** It does this by reducing the amount of IT hardware and resource that you need for each location—instead of a consultant arriving with a server that needs to be configured onsite, the configuration is done in advance. The terminals are plugged in, switched on, and connected to a system in the cloud that's ready for work. This reduces the cost of opening a new location and reduces the risk of IT issues delaying the project.
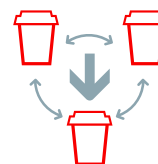
+ Reduce IT costs to reallocate investment.
By removing the need for servers on each site, you're not only saving money on the hardware itself—you're also reducing the cost of maintenance. With traditional on-premises systems, upgrades involve sending a consultant to each and every location. This is why roll-out programs often take weeks or months. With cloud, a system upgrade can be done centrally, once. Less money is needed upfront for hardware, and less money is needed for ongoing support so that funds can be reallocated to other important areas of your business. In a KPMG survey, **70 percent of executives said that implementing the cloud had helped them reduce costs.**[2]

70%
REDUCED COSTS

+ Respond more quickly to opportunities.

The food and beverage industry moves fast. You need to be able to bring new ideas to market within days, not weeks or months. It's also important to identify and react to anything that isn't working so well, be that an item on the menu or a promotion. **Cloud technology allows you to execute your ideas much, much faster than a non-cloud business.** And it gives you the all-important ability to test, so the changes you want to make can be reviewed centrally before you implement them across all locations. **74 percent of companies surveyed by the Harvard Business Review said that cloud has provided their organization with competitive advantage.**[3]

74%
COMPETITIVE
ADVANTAGE

+ Improve data security and protect your brand.

Data and other security breaches can have a negative effect on your relationship with your guests and staff, and on your brand and reputation. With the right cloud technology partner, you can protect your business—firstly **by ensuring that data is not stored locally** and secondly **by protecting your central data repositories with a world-class security infrastructure**.

+ Make your brand more relevant to today's consumers.

Millennials: those reaching young adulthood around the year 2000. Many of your guests, as well as your employees, will be from this generation, with different expectations and preferences—millennials account for 27 percent of the US population and 24 percent of the population in Europe.[4] **The cloud allows you to provide the experiences that they expect—intuitive mobile applications, tailored communications and promotions—**while preparing for future innovations. **By engaging with this generation, you increase sales and loyalty, while establishing your brand as responsive and relevant.**

[3] http://www.verizonenterprise.com/resources/reports/rp_hbr-business-agility-in-the-cloud_en_xg.pdf

[4] http://www.pewresearch.org/fact-tank/2015/02/09/who-are-europes-millennials/

+ Increase revenue potential with off-premises ordering.

If you're looking to broaden your customer base and increase revenues without expanding the size of your premises, then there is huge potential in off-premises ordering. **With the power of the cloud, orders that are placed through mobile devices, tablets, or desktop PCs can be sent directly into your existing systems for fulfillment.** There's no need for separate channels for web or mobile orders, which means fewer headaches for your IT team or onsite staff as systems remain simplified and streamlined. It also **maximizes the profit potential and ensures that customers get a consistent brand experience.**

CONSISTANT BRAND
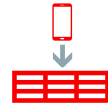
+ Reduce the time and cost of technology upgrades.

Many food and beverage operators have to plan their activities around major IT upgrades. These upgrades can take weeks or months to complete, costing money and effort and often holding up strategic initiatives. With cloud technology, **upgrades are delivered regularly and consistently**, allowing you to take full quick advantage of new functionality, while saving time and money.

+ Maintain consistency and local flexibility with centralization.

Consistency is the not-so-secret ingredient behind any restaurant's success. For a food and beverage chain, maintaining consistency of service, menus, pricing, and promotions is an ongoing challenge. Cloud technology allows you to **control every point-of-sale (POS) terminal, manager's workstation, kitchen system, and connected mobile device in every location from a central office.** If you need to add a new menu item to every POS globally within 24 hours, you can do it. If you want to be able to change menus or promotions in a single location, you can do that too.

CENTRAL CONTROL

+ Improve decision-making with better data.

How much revenue did your newest location make this lunchtime compared to forecast? How many of your guests are using discounts or promotions? Which locations have the best sales per employee? All of this information, and more, should be available to help you make better business decisions. But if you're running different systems in different locations or countries, it becomes difficult to pull that data together. And while the reports are being gathered manually, money is being wasted or strategic opportunities missed.

Cloud changes that. With a cloud reporting service, **data from every location is instantly available in real time, allowing you to see exactly what is happening across the enterprise at any given moment.** Weekly, monthly, and quarterly reports can be delivered accurately within seconds, rather than taking days to prepare. Cloud also ensures that this data is accessible however and whenever you need it, whether from a desktop PC or a mobile app on your smartphone.

+ Engage your guests with mobile technology.

Mobility offers huge potential to food and beverage operators. About half the adult population today owns a smart phone and that will rise to 80 percent by 2020.[5] Cloud technology allows your guests to BYOD or "bring your own device", so that they can engage with you in a multitude of ways, from placing orders and making payments to redeeming loyalty points.

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[5] http://www.economist.com/news/leaders/21645180-smartphone-ubiquitous-addictive-and-transformative-planet-phones

+ Leverage your mobile investment for staff efficiency.

With cloud technology, **you can get even greater value from your mobile investment**. Cloud ensures that every manager within your operation is able to do their job without having to sit in front of a computer in an office. Reports containing real-time data can be accessed from mobile devices and smartphones. Back-office tools, such as labor and inventory management applications, can also be accessed from front of house, allowing managers to remain visible to guests and staff. Mobile devices are also a gateway for staff communication and training, plus you can allow team members to manage their schedules so that managers spend less time on administration.
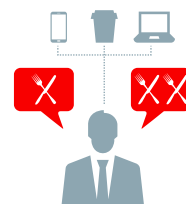
+ Expand globally with greater ease and efficiency.

Global expansion is not easy. Ensuring consistency of service, food quality, menus, and promotions can be a significant challenge, whether you are opening your own stores or partnering with franchisees. **Cloud technology gives you much greater control over what is happening in your locations worldwide—a single global system** that offers multilanguage and currency support, and allows you to maintain consistency without limiting your ability to adapt to local needs. A system built for cloud is also built for latency, which means that speed and performance are maximized.

+ Control staff and inventory costs.

For most food-service operations, **staff and inventory represent two of the biggest costs on your balance sheet. Cloud technology can help you to control these two areas and minimize unnecessary expense.** Inventory reports can be delivered in real time to both local managers and head office. This provides head office teams with data that can be used to negotiate better deals with suppliers, while local managers are able to monitor day to day stock levels and minimize waste and theft. Staff scheduling can also be managed more efficiently to reduce under- or over-staffing.

REDUCE COSTS

+ Reduce staff turnover.

In 2014, staff turnover in the hospitality industry was 66 percent— that's 50 percent higher than the average for the rest of the private sector.[6] For an industry that depends so much on its people, this rate of staff attrition can have a serious impact on the guest experience, which in turn affects customer loyalty and revenues.

66%
STAFF TURNOVER

Cloud technology helps you to attract and retain staff in a number of ways. Firstly, cloud systems are modern and up to date, making them easier to use and less likely to frustrate young digital-native staff who have grown up with highly intuitive interfaces. **Eighty-six million millennials will be in the workplace by 2020, representing a full 40 percent of the total working population.**[7] Technology training can also be made simple and repeatable, so that you can **reduce costs while also focusing more time on menu and service training, rather than on how to input an order.** A single system also makes it easier for staff to move between your locations when needed, without additional training.

+ Let hospitality staff focus on hospitality, not IT.

If you have an on-premises IT system that depends on having server hardware in every location, then you need someone in every location who knows how to maintain that server. Every minute they spend attending to technology issues means less time spent focusing on your guests. If that person leaves your business, you then need to train another local IT expert. **Cloud removes the need for any local IT expertise,** allowing your staff to concentrate on providing a great guest experience.
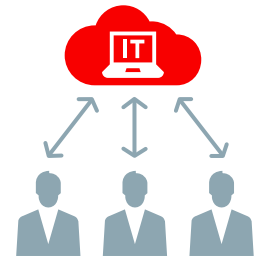
[6] www.restaurant.org/News-Research/News/Hospitality-employee-turnover-rose-in-2014

[7] www.forbes.com/sites/robasghar/2014/01/13/what-millennials-want-in-the-workplace-and-why-you-should-start-giving-it-to-them

+ Manage social media effectively.

Gone are the days where if a customer had a bad meal or something unexpected in their drink, the furthest their complaint would go was their circle of friends. Now, that circle of friends has been replaced with a crowd of followers—and how you manage this dissatisfaction is broadcast for all to see. The cloud helps to deliver a **360-degree view of your business from social media, even allowing individual restaurant managers to track what's being said in their particular branch** at any given time, so that **mistakes can be rectified while the customer is still onsite.**

+ Comply with the latest standards and regulations.

The food and beverage industry is no stranger to standards and regulations. Failure to comply can result in bad publicity, fines or even being closed down. **Cloud gives you greater control of every location within your enterprise,** so you can ensure that rules are being followed. Having one centralized system also ensures that all of your locations are up to date in terms of information on allergens or nutritional content, while recognizing regional and country-level differences in guidelines. And whenever new rules appear on the horizon, cloud technology makes it much easier to roll out new processes across the business.

CLOUD MISCONCEPTIONS

70%

COMPANIES
ADOPTED

+ **Misconception 1:**

Enterprise is still experimenting with the cloud
Cloud solutions are neither new nor untried. The journey to cloud started many years ago, evolving from the early days of ASPs (Application Service Providers) to today's portfolio of solutions. Cloud technology has been readily welcomed by large enterprises wanting to support critical systems for ERP, human resources and finance, and many major food and beverage operators have already taken the next step to cloud for front-of-house technology. **70 percent of companies have adopted cloud computing, according to a Harvard Business Review survey.[8]**

+ **Misconception 2:**

If the internet goes down, so does the cloud… and our business
Any truly enterprise cloud solution has built-in resilience, meaning that **operators can still conduct mission-critical functions like taking orders, closing checks, accepting payments, and managing time and labor,** even while temporarily offline. If the internet connection is lost, the business continues to trade.

+ **Misconception 3:**

The cloud is not secure
The right cloud partner will provide you with better security than you could ever achieve with your own budget. A top-tier cloud provider will give you the benefit of extensive investment in systems, hardware, data centers, procedures, and expertise, giving your operation the best possible protection against threats and attacks so that your brand and reputation stay safe.

CLOUD MISCONCEPTIONS

+ **Misconception 4:**
On-premises technology will cost less long-term
Investing in enterprise hardware and on-premises software costs money, time, and effort. Spread over five, seven (or more) years, that investment might seem to offer value for money. However, very few enterprise food and beverage operations can remain on one unchanged system for five or seven years—there are always legislation or changing business needs that require upgrades. With cloud technology, upgrades are part of the package. The system you have after five years is up to date and ready to support you for another five years, without any major investment or upheaval to the business.

+ **Misconception 5:**
The cloud is too much of a change for our business
The cloud is undoubtedly a new way of approaching technology compared to traditional IT. With cloud, the cycle of large CapEx investment every few years is replaced with monthly fees that can be increased or decreased depending on usage. You no longer need to pay for expensive server hardware and then pay for it all again when it becomes obsolete. Roll-out programs lasting months and costing thousands are a thing of the past. Cloud could well be a big shift for your organization, but it is without doubt a shift in the right direction for a modern business looking to pay only for what it needs.

+ **Misconception 6:**
The cloud is a matter for IT
Being competitive is not the sole responsibility of IT, nor is being innovative and responding to customer needs. Cloud enables every function within a food and beverage enterprise to do more, from the operations team being able to open new locations in record-breaking timescales, to the marketing team being able to roll out a new promotion within days instead of months—and being able to report on the ROI of that promotion at the click of a button.

+ **Misconception 7:**
All cloud solutions are the same
If you want to reap the rewards of cloud, you will need a system that has been built for cloud and is delivered from a cloud environment. A solution that was originally built to work on-premises will never give you the simplicity of upgrades that a system designed for the cloud can offer, even if it is hosted or delivered as software as a service.

MOVE TO THE CLOUD
WITH SIMPHONY CLOUD FROM ORACLE FOOD AND BEVERAGE

If you're looking for a cloud solution to take your food and beverage enterprise forward, then look no further than Simphony Cloud from Oracle Food and Beverage.

Simphony is the cloud hospitality management platform that is used by restaurants, bars, pubs, coffee shops, hotels, and casinos around the world. Simphony gives you all of the functionality you need to manage a connected, modern food and beverage operation:

+ Point-of-sale
+ Mobility
+ Guest engagement
+ Kitchen management
+ Reservations

+ Reporting and analytics
+ Loyalty
+ Inventory
+ Labor
+ Loss prevention

As a cloud service, Simphony allows you to optimize the guest experience both today and in future:

+ Deliver consistency across locations and regions through centralized management of menus, pricing, and promotions

+ Engage with guests by taking advantage of mobile-enabled applications and devices, both staff-facing and customer-facing

+ Keep up with the latest innovations, from payment to online ordering

+ Protect your customers and brand reputation with a world-class data security infrastructure

THE PROOF IS IN THE PUDDING

The cloud outperforms traditional systems by:

+ Allowing stores to be opened faster at lower cost

+ Reducing CapEx investment on IT hardware

+ Enabling IT spend to be allocated elsewhere

+ Helping bring new ideas to market faster

+ Supporting mobile technology for staff and guests

+ Driving innovation

+ Limiting the on-premises IT burden

+ Cutting IT complexity

+ Accelerating insight-led decision-making

+ Supporting global expansion

+ Minimizing training requirements

+ Facilitating off-premises ordering

+ Maximizing resource and reducing waste

+ Engaging staff and reducing turnover

+ Enhancing your reputation

FOR MORE INFORMATION
on Simphony Cloud POS

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