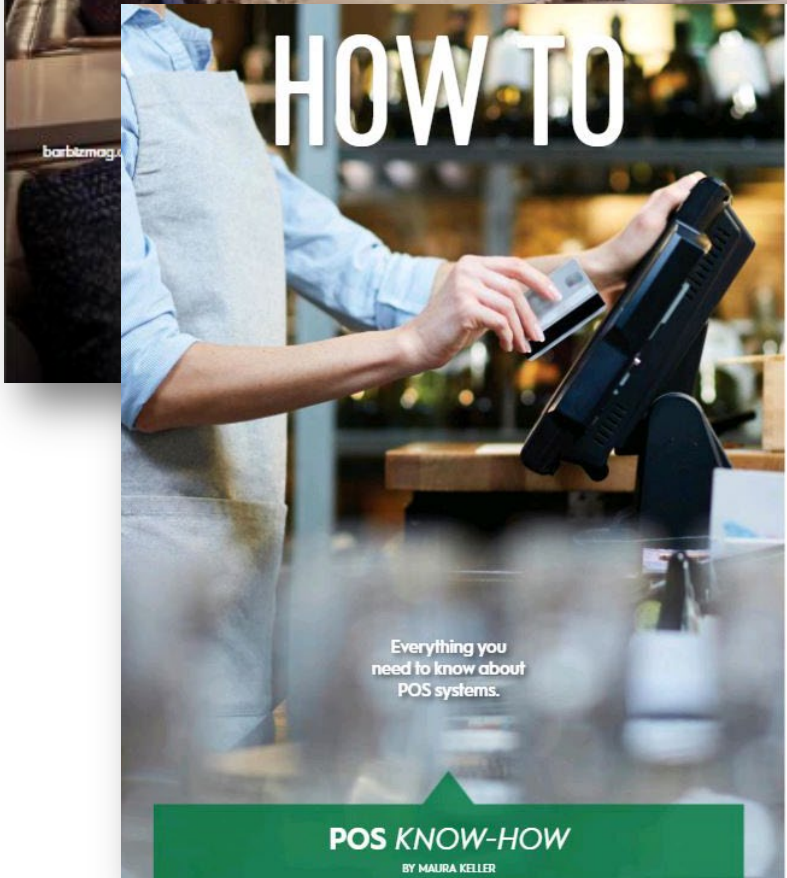


BAR BUSINESS

MAGAZINE



HOW TO

Everything you need to know about POS systems.

POS KNOW-HOW

BY MAURA KELLER

Having trouble keeping track of inventory? Wishing you knew which hours were the most profitable? Looking for an easier way to streamline complicated orders? Enter point-of-sale (POS) systems. These computer-enhanced software systems are making life a little bit easier for bar businesses across the nation.

Evolving Technology

In recent years, POS systems have become more and more accessible to bars and restaurants in terms of both affordability and practicality.

Making POS Work For You

According to Joe Messina, Executive Vice President of Sales at Harbortouch, bar owners should make sure they are taking full advantage of all the functionality offered by their POS system. Many business owners only use the basic operations of their POS, but these systems offer powerful tools that can provide considerable value to the business.

"Another underutilized POS feature is the customer database," says Messina. "Most POS systems offer a customer database that can be used for direct marketing, loyalty programs, or customer appreciation initiatives. POS systems can serve as powerful business management tools when all of their functionality is utilized."

Alex Barroti, TouchBistro CEO and Founder, says that with integrated loyalty programs, POS data can be used for marketing promotions such as birthdays, Valentine's Day, or other holiday celebrations.

"The management reports provided by a POS should cover all aspects of sales activities, inventory control, and staff assignment and productivity," explains Barroti. "Good bar or nightclub management become well versed in analyzing these reports to improve operations."

POS systems offer extensive reporting capabilities beyond basic sales figures. "Many of these reports can deliver valuable information to bar owners and help them make more informed business decisions," says Messina.

These reports can identify top-selling

and poorly selling items to help guide menu changes, determine the busiest days of the week and times of the day to assist in employee scheduling, and even identify the most productive employees.

The point-of-sale market continues to evolve rapidly. Software innovation, especially in the last few years, has made the lives of bar/nightclub owners much easier.

If you're using a modern solution featuring cloud software, new features are being continually pushed to users. Mark Schulze, Co-Founder at Clover and Vice President of Business Development at First Data, says bar owners need to periodically check-in to see what new features have been deployed to their system.

"It's not just about taking cash payments anymore," says Schulze. "Adoption of mobile payments by consumers has grown, so you need to make sure you're able to accommodate them in your point-of-sale. Also, operational improvements continue to be made making customer management, table management, and ordering much easier."

How often bar owners should upgrade their POS system depends on the age of the system and the extent of its use.

"Bar owners should upgrade every three to five years or as new software is available," says Jeff Banner, Director of Solutions Engineering at CITI Network Solutions, which specializes in POS systems for restaurants and bars. "Sometimes an update might not require the system to be replaced—just updated with the latest and greatest if possible. Some telltale signs may be the system running or operating at a much slower speed—bar operating system might be just outdated."

Safeguarding Practices

With the ongoing data breaches across a myriad of industries, bar owners and operators need to ensure that sensitive data like customers' credit card information is protected. Data breaches have been in the news regularly over the past few years, and small businesses such as bars and restaurants can be hit especially hard by these breaches.

To protect cardholder information and avoid costly data breaches, bar

owners should make sure they implement the "security trifecta" at their point of sale. The trifecta consists of point-to-point encryption (P2PE), tokenization, and EMV.

According to Messina, P2PE technology encrypts payment data as soon as the card is swiped so that this information never enters the POS environment. Tokenization replaces card numbers with a random alphanumeric code so that the data is useless to potential hackers. And EMV technology transmits card information via an embedded microchip, providing more advanced security than traditional magnetic stripe cards.

"When these technologies are combined, the security trifecta offers maximum protection against data breaches," says Messina.

Banner says that one of the most important ways to ensure data is protected is to make sure owners are using managed switches and that the PIN pads or credit card machines are using their own switch ports/VLAN.

"In the past, a lot of retailers, bar owners, etc. were using unmanaged switches and the credit card machines were using the same switch port as the register, which increases the risk of exposing extremely important personal customer info like credit card numbers," says Banner.

The common practice of opening a tab by holding a customer's credit card behind the counter is fraught with risk as well. You never know what can happen by holding that physical card in a busy bar environment.

"Modern point-of-sale solutions allow you to pre-authorize credit cards and give it back to the customer," says

HOW TO POS

Pro Tip

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PHOTO: SHUTTERSTOCK/PAULVANTER

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