

Hard Rock Café sets new dining trends with an IBM point-of-sale solution.



Highlights

■ **Challenge**

Enhance customer satisfaction by reengineering restaurant service delivery to improve process efficiency and employee productivity

■ **Solution**

A highly reliable POS solution featuring IBM SurePOS™ 500 systems and third-party wireless technology

■ **Benefits**

A return on investment in less than one and a half years and improved responsiveness to diners' preferences

Offering diners an experience that tops the charts

Since opening its first restaurant in London in 1971, the Hard Rock Café chain has become a global phenomenon: it now has 108 restaurants, serving customers in 41 countries. Each location combines rock-music memorabilia, classic American food and a commitment to widespread humanitarian causes. In recent years, Hard Rock Café has expanded beyond its food-service operations into entertainment by launching a line of Hard Rock Café merchandise and a record label, as well as hotels, casinos and live music venues.

However, according to Chan Yong Hock, regional accounting manager for the Hard Rock Café in the Asia Pacific region, the well-known chain has been facing new market pressures as well as increasing competition. Referring to Hard Rock Café locations in Singapore, the Philippines, Malaysia, China, Thailand, Indonesia, Korea and Hong Kong, Chan explains, "The biggest challenge facing established restaurant chains like ours is declining tourism in our region. Also, there have been many new competitors— attracted by a low cost of living and growing population—offering a similar dining experience. Plus, employee turnover has continued to increase, reaching record-setting levels."

As tourism has contracted, the Hard Rock Café in Singapore has shifted its focus to attracting a larger proportion of its clientele from the local dining population. “To stay competitive, we wanted to take advantage of our strong brand image, combined with consistently high food quality and excellent customer service to attract more customers from the nearby region,” recalls Chan.

However, the restaurant’s outdated point-of-sale (POS) systems lacked the reliability and functionality that were steadily becoming the norm on the fast-paced food-service technology scene. To serve each dining party, restaurant staff had to walk back and forth between tables, the bars, the kitchen and cashier stations. Chan says that this resulted in “extended wait times before food was served,” further prolonged by periodic POS system breakdowns that required technical assistance and slowed customer transactions.

What’s more, because the restaurant’s existing POS solution was based on manual processes, it was inefficient and costly to train new staff—and tracking lost revenue was nearly impossible.

“New wait-staff and cashiers had to memorize extensive information, from standard menu items and condiment options, to preparation alternatives, pricing details and corporate service policies,” says Chan, adding that this meant it took up to a week of intensive classroom education before a new employee was ready to work on the restaurant floor.

Finding a recipe for successful service

The Hard Rock Café management in Singapore needed to find a way to enhance customer service and reduce the amount of time that patrons had to wait for their orders. Plus, the restaurant had to cut down on training costs, as well as institute more-effective revenue controls and a process for tracking customer preferences and sales trends to improve profitability.

In selecting a new POS solution, Chan says the restaurant’s main concern was reliability—not just of the hardware and software making up the restaurant’s new systems, but also of the technology provider delivering them. “Faced with so much upheaval in the technology industry

these days, we wanted to work with a company that we were confident would be around for the long term,” he explains.

Technology prowess was also a key decision factor. “On the recommendation of our trusted technology provider, A Panacea, we considered a solution that brought together IBM POS systems with third-party wireless hardware and software technology,” recalls Chan. Based on the strength of IBM POS technology and its reputation as a provider with staying power, the Hard Rock Café opted to replace its existing technology with a leading-edge POS solution from IBM.

IBM serves up a state-of-the-art POS system

A Panacea installed seven IBM SurePOS 500 terminals running CompuWave wireless-enablement software on Microsoft® Windows® 2000 and linked with wireless handheld devices. Implementation of the IBM technology-based solution encompassed preplanning and site preparation; system configuration, installation, fine tuning and testing;

and staff training. The SurePOS 500 systems form an integrated information management system that streamlines transactions—from taking customer orders and relaying them to the kitchen, to processing payments and tracking diner preferences.

Once customers are seated, waiters take their drink orders and use handheld devices to transmit the orders to one of the restaurant's two bars. By the time the waiter gets to the bar, the drinks are typically ready to serve. Similarly, detailed food orders entered into the wait-staff devices immediately print out on kitchen printers, prompting kitchen employees to begin preparation. "Because our servers do not have to walk between customers, the bar and the kitchen, they can attend to the needs of more customers at a time, and therefore be more productive," Chan says.

Staff productivity has further improved as a result of fewer order errors and the ability to access and use valuable customer data. "Information is automatically captured into the POS system when a dining order is taken. Then, we

can store, retrieve and analyze it to improve our service and profitability," says Chan, explaining that the restaurant can draw on data to evaluate trends in customer preferences, employee activities and profitable menu items.

Streamlined processes: a smash hit with both customers and employees

Hard Rock Café has experienced nearly uninterrupted uptime and a smoother workflow. Chan expects a full return on investment (ROI) for the new IBM technology-based solution in less than one and a half years. He expects the restaurant to achieve this rapid ROI, in part, by reducing the cashier headcount by 40 percent and staff training costs by approximately one half. By leveraging new functionality, such as pop-up prompts and automated option menus, Hard Rock Café wait-staff and cashiers can rely on quick access to real-time menu and pricing information to respond rapidly to diners. "In addition, human error during the order-entry process has been reduced to almost zero, resulting in improved efficiency, consistency and customer satisfaction," Chan adds.

Hard Rock Café managers can also track employee and customer activities, enabling the company to gather valuable business data to drive decision making about promotions, pricing and staffing. "We can quickly identify popular items, leverage information to cross-sell additional menu items and track the preferences of frequent diners," Chan says.

Hard Rock Café customers have taken notice of the new technology. "Customers often comment on the new high-tech system and our innovative approach to streamlining the dining experience," says Chan. "This will impact customer loyalty over the long term by enabling us to leverage memorable, high-quality service and our strong brand image to attract a larger base of both tourist and local clientele."

"Both IBM and IBM Business Partner A Panacea were very responsive to our needs. They helped us fine-tune our system and capitalize on exciting new opportunities for innovation."

—Chan Yong Hock, regional accounting manager, Asia Pacific Region, Hard Rock Café

A restaurant solution that's ready for a world tour

To date, the IBM technology-based POS solution has only been implemented at the Hard Rock Café location in Singapore. However, according to Chan, the company intends to deploy new IBM POS systems across all of its Asia Pacific locations. "We plan to roll them out across the region," he says, adding that the solution can also help reduce employee turnover by enabling the Hard Rock Café to offer its staff firsthand experience with leading-edge restaurant systems. "Our employees recognize that we provide them with a great opportunity to gain experience with state-of-the-art restaurant technology," Chan concludes.

"What we appreciate most is that IBM brings us an end-to-end POS solution that is helping us improve our business as well as our customer service."

—Chan Yong Hock, regional accounting manager, Asia Pacific Region, Hard Rock Café

For more information

To learn more about the IBM SurePOS 700 Series and additional POS solutions from IBM, contact your IBM sales representative, or visit:

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