'Free' POS Helps Pad VAR's Wallet

By Mike Monocello, Business Solutions Magazine

You don't have to be a retail IT VAR to see that restaurants go in and out of business all the time. Many smart VARs use this to their advantage. Such was the case with Gary Hayes, owner of GH Computer Enterprises, who was driving through a section of Chicago when he noticed a new "coming soon" sign on the door of a restaurant that recently went out of business. Hayes pulled over and dropped some of his marketing brochures and a business card inside the front door. A week later, he received a call from the restaurant's new owner.

So, what was so compelling in the brochure? The brochure left in the front door contained information on a Harbortouch POS bundle and contained information on the reporting capabilities, on-site installation and tech support, and other benefits of the system. The brochure positions the POS system as free, but the customer has to pay a monthly tech support fee and process its credit cards through Harbortouch.

In this instance, the new restaurant was a new bar and grill named Johnnie Blue. The owner explained that an old cash register was left behind, but he felt it would be inadequate for his new business. "The owner wanted to be able to keep track of his sales, labor costs, and inventory," explains Hayes. "He also really wanted to be able to process credit cards. Everything the owner was looking for was handled by the Harbortouch bundle and mentioned in the brochure."

For the solution, Hayes installed a bundled POS system which included the POS terminal, cash drawer, receipt printer, and kitchen printer. As part of the installation, Hayes had to set up a network for the customer, which included Internet connectivity. "Because Harbortouch provides remote access support, a broadband Internet connection is required," says the VAR. He goes on to explain that requiring an Internet connection isn't much of an issue because most restaurateurs feel that they need to provide free Wi-Fi to stay competitive and attract customers. As part of its bundle, Harbortouch included a router to create a secure network for the POS terminal.

As far as setup and configuration are concerned, the VAR says there wasn't much to do. Harbortouch sent the equipment to Hayes, who then took it to the customer for installation. Usually, he programs in menus for his restaurant customers. In this case, the customer took advantage of a free Harbortouch service of menu programming. "If the restaurateur knows what their menu is going to be, they can send it to Harbortouch who will then program it into the software for the customer as a free value-add."

The total cost to the customer is $89 a month, with no down payment. "This option helps customers cut down on the initial costs of a POS system and is particularly appealing to new restaurants because they usually go over budget starting up and don't have $5,000 to $10,000 for a POS system," says Hayes. For each system installed, Hayes collects a check for the installation and gets a monthly cut of the credit card processing. Harbortouch provides telephone and remote access support. If customers want on-site support, they can contact Hayes, who will charge for it.

Since the installation of the POS system, Hayes says the customer has been happy, first and foremost, with being able to accept credit card payments. As many consumers prefer to pay with cards, the owner feels he's making more money than he would have, had he only accepted cash. Additionally, the owner can monitor discounts and voids via automatically generated reports. Finally, he's able to identify sales trends to see which items are selling better or worse than others to adjust his menu and inventory replenishment accordingly.

Now that the customer is settled in with his new system, Hayes says the owner — who runs another business — has approached him about installing a POS system for that company. Additionally, business at the bar and grill has increased to where a second POS system will be required in the near future.

Beyond this customer, Hayes says that the Harbortouch business model is one that's opened up a wide variety of new potential customers. "I lost a lot of deals because the customer couldn't get financing," he says. "This affords them the opportunity to get a system without having to come up with money up front. I'm winning business I wouldn't have a chance to win."