

Increase Your Profits Using Efficient POS Systems

Having the right POS system can lift you up to a new level of control over your operations, increasing profits, efficiency as well as fine-tuning your business model. The wrong system, however, can be a source of ongoing frustration, not to mention the amount of time and money you waste on it.

In a sense, a POS system is a glorified cash register. The basic POS system can be seen in any establishment in the food industry, that consists of a computer, cash drawer, **receipt printer**, and a keyboard. In addition to being more efficient than a regular cash register, **POS systems** makes detailed reports which gives you all the information you will need to learn your weaknesses and make future plans for your business' success.

POS systems is a great way to increase your profits, provide productivity gains and lessen the amount of time you use from the primary focus of your **business**.

Saving money, gain more control over your business, and being more productive; sounds like an excellent combination for your business, right? Well here are some of the best ways a modern POS system can help you out.

Getting rid of shrinkage

A computerized **point of sale system** can drastically cut down on shrinkage, the inventory that disappears from your store or restaurant due to theft, waste and employee misuse. And since your employees will know that inventory is being tracked, internal shrinkage will dwindle.

Accuracy

Whether you use **barcode** scanning or not, POS systems ensure that every item in your store or on your menu is sold for the right price. Your staff will no longer have to guess the price of an item, and you can change prices with just one click of the mouse.

Getting margins

Detailed sales reports can help you focus on higher-margin items. By moving items within a retail location, or promoting poor-performing meals in a restaurant, you can help boost sales of well performing items.

Knowing your stats

You can easily know which of your products have been sold today, yesterday, last week or months ago, with the help of a POS systems. It can even tell how much money is in the cash drawer as well as how much of that money is profit.

Better inventory management

Detailed sales reports make it much easier for you to keep the right stock on hand. You can easily track your inventory, see what's on stock, spot sales trends, and use historical data to better forecast your needs. Your **POS software** can alert you to reorder when stocks run low. Many store owners who think they know exactly what trends affect them find a couple of surprises once they have this data.

Build a customer list

Collect the names and addresses of your best customers as part of standard transactions. Then use this list for targeted advertising or incentive programs.

Reduce paperwork

Reducing the time you spend on doing inventory, sales figures, and other repetitive but important paperworks can be lessened if you use a POS system to help you out. It doesn't only reduce the time but save more for you as well as give you a peace of mind.

Efficiency in transactions

In retail settings, barcode scanners and other POS features make checkout much, much faster. Restaurants will find their order process greatly streamlined as orders are relayed automatically to the kitchen from the dining room. Either with these two, you'll be making your customers happier with a faster and more accurate service.

You have to keep in mind that these benefits require you to commit using your POS systems' capabilities to their fullest. Without proper training and analysis, even the most sophisticated POS system is nothing more than a regular cash register.

Retail needs vs. Hospitality needs

You have to remember that the POS market is divided into two segments which require different needs: restaurants, bars, and hotels and other retail operations and hospitality businesses.

Retail

Of the two groups, retailers have simpler POS needs. Their transactions are completed all at once, and there is often less variation in the types of products they sell. Some POS features retailers may specifically want include the ability to support kits (e.g. 3 for \$2 deals), support for digital scales and returns/exchanges. But if your business sells items in a variety of styles like clothes, then you might need a POS system that supports matrixes. As an example, matrixes allow you to create one inventory and price entry for a particular sweater, but can still track sales according to size and color of the sweater.

Hospitality

Restaurants and other hospitality businesses differ in requirements. Efficiency is the main focus for

casual restaurants. For sandwich shops and other retail-style restaurants, a POS system can greatly increase accuracy and cut down on time-per-transaction compared to hastily-scrawled order tabs being passed to the kitchen. For quick-service restaurants, a POS system would be required to meet success: orders entered on terminals in the front are automatically displayed on monitors of the kitchen, ready to be quickly assembled and delivered to the customer.

For fine dining restaurants, **point of sale** requires a bit different. They include the need to be able to create and store open checks, as parties order more over time, as well as track which waiter is handling which table. The efficiency gains from **better management** can be impressive. If a restaurant with 20 tables and an average check of \$45 can increase turnover by one party per table, that is an extra \$900 on a busy night.

Return on Investment Worth the Trouble

Switching from your old system to a computerized POS system can be difficult. There are several factors that needs to be considered and unexpected problems to avoid. But the return of investment (ROI) can really make it worth all the effort you put into it.