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DECONSTRUCTING THE FORMULA FOR GREAT GUEST EXPERIENCES VIA POS MOBILITY



Stating the blatantly obvious, customer happiness matters. The greatest luxury property can receive 1 Star as a result of bad service. Beautiful, lushly landscaped pools or breathtaking outdoor terrace views are all for naught in the wake of a poor guest experience. High investments in marketing campaigns and sophisticated loyalty programs can be erased by absent, harried or slow service. While many variables factor into that 5-star “Wow” guest experience, one of the key variables is speed of service. This article deconstructs the factors that determine speed of service to show how you can start calculating the benefit of POS mobility.

Formula 1: Speed of Service = Order Taking / Placement (Servers) + Order Prep (Kitchen) + Delivery (Runners)

Speed of service can be summed up as the elapsed time between when the guest places an order until the order is delivered. In venues intimate or smaller in size, speed of service is largely equal to order prep time by the kitchen or bar. However, in other venues, order placement time and delivery time may surpass – in some cases, significantly – order prep time. These venues have large service areas or service areas with significant obstacles. Examples include pools, casino floors, bingo halls, outdoor patios, venues with significant landscape or architectural features, and complex room layouts. Additionally, in popular bars or nightclubs, the guests themselves may become significant obstacles to be navigated when taking and delivering orders.

This analysis focuses on the order placement variable: the elapsed time between when guests provide their order until when their order hits the appropriate kitchen or bar. Analyzing order placement in these large or obstructed service areas can expose hidden insights, highlight the unexpected benefits of POS mobility and illustrate why the hospitality industry is one of the leaders in tablet adoption.

Formula 2: Order Placement = Route Duration + (Guest Interaction x Guest Orders/Route) + POS Queue Time

The order placement variable is important because it represents the elapsed time between when guests place an order with the server to the time when the order is actually placed into the system.

Route Duration (average, in minutes) – Time traveling back and forth to the guest areas.

For many fine dining venues or restaurants, it might take less than a minute for a server to traverse from the guest’s table to discretely located POS terminals. However, with meandering pools, large casino floors, or crowded nightclubs, it is not unusual for the route duration variable to clock in, on average, at 5-10 minutes each way, even excluding time spent interacting with guests. This can be measured with a stopwatch, pausing during each guest interaction. Route duration consists of two segments, each with a different effect on guest experience.

Formula 3: Route Duration (average, minutes) = Return Trip (average, minutes) + Outgoing Trip (average, minutes)

Return Trip - The elapsed time, excluding guest interactions, to walk the average distance from the guest to the POS terminal.

Every minute walking to enter the order into the POS is an extra minute guests’ needs go unattended. This time is more impactful to guest experience because the guest has already entrusted their server with their desire, and these elapsed minutes are magnified in importance as the server has not fulfilled their end of the promise until successfully handed off to the kitchen or bar.

POS mobility eliminates this delay altogether. There is no walking to the terminal as the POS is already in the hands of the server. There is no reason for the server to wait to walk 5-10 minutes (including delays associated with additional guest interactions) and then potentially wait in line to use the POS terminal, before fulfilling their promise to the guest. Depending on the establishment, server preference and technology ease of use, the server can enter the guests’ requests discretely into the tablet, or the server can wait to enter the order using the POS

mobility tablet after taking a few steps away from the party.

Bonus: POS mobility’s immediacy has the added advantage of enabling the server to double check an order or modify it if necessary, thus decreasing mistakes and waste, and decreasing or eliminating any potential negative guest experience. Without POS mobility, the server may arrive at the POS terminal 5, 10 or even 20 minutes after taking the order. Their notes – and memory – may no longer be clear for the first couple of guests served on this pass, and they are faced with the dilemma of further delaying the order or risking a mistake. A simplified error variable can be added to the overall speed of service formula by increasing the total speed of service by the percentage of re-fires due to server mistake. Please note: this adjusted speed of service does not factor in the number of unhappy, but silent guests who, in the past, had their desires compromised and are now having them efficiently fulfilled.

Note on Outgoing Trip - elapsed time for servers to walk from the POS terminal back to their service area.

Outgoing trip is one of the factors that determines average time guests need to wait until a server is available. Although not described here, its effects directly impact guest happiness. Guests tend to be more patient when seeing server helping others nearby. They expect their wait to be rewarded shortly. Guests become increasingly frustrated if servers seem to be absent altogether, or worse, the limited-number of servers seem to deliberately ignore and bypass the waiting guest. POS mobility eliminates both of these situations as servers rarely, if ever, leave the sightline of the guests to go to the POS, and they never have to ‘accidentally’ ignore the sometimes frantic signaling of hungry, impatient guests. All of this time saved may be invested in longer and more lasting guest interactions.

Guest Interaction x Guest Orders/Route

As mentioned earlier, order placement variable represents the elapsed time when the guest(s) place an order to when the order is actually entered into the system. Although return route duration is important, its more insidious impact is that it reflects the amount of time the server may be delayed from entering the first order(s) taken. Not just once: the longer the return route

duration, the greater opportunity to be tempted to help more guests enroute. Not only is the first party served penalized while providing service to others, each order taken prior to the last one is incrementally impacted. From the moment the server takes an order, the server is well aware of the numbers of pending orders entrusted yet unfulfilled. If the guest normally spends two minutes per order, but gets stopped five additional times on the return route, this is a 10-minute penalty or delay on the first guest served. The weight of this delay grows heavier with each additional guest. The server tries to provide better service to the majority by decreasing the interaction and thus connection with each subsequent guest.

One of the greatest benefits of POS mobility is to eliminate the first-served penalty. Since the party's order is immediately entered into the tablet, there is no delay when moving on to help another party. The server is no longer forced to choose which guest gets great service. The server can provide optimum service for each customer as if they were the only customer. The server now has the time and the freedom to create more meaningful connections with guests. Although many factors are important, servers' effectiveness in connecting with guests might have the largest impact on moving the needle on guest ratings. POS mobility enables you to convert your servers from under-the-gun order takers into more guest-centric brand ambassadors.

Note on POS Queue Time

If each server is taking many orders and then batch entering the orders into the POS terminal, like commute traffic, it is possible to see a queue up at the POS terminal. Although usually hidden from most guests' sight, it may appear to other guests that the servers are chatting instead of being on the floor serving guests. Compared to other variables discussed, this further delay is not significant, but often adds insult to injury to all parties when speed of service is slow. POS mobility eliminates this POS queue time altogether as tablets are not shared equipment as well as the illusion of proverbial chatting at a water cooler.

Importance of Runners

This analysis focused on POS mobility's impact on the order placement time portion of speed of service. Food and beverage prep as well as delivery time (calculated as how long the order must wait before being delivered plus the one-way route duration) complete the speed of service calculation. To achieve the benefits of POS mobility discussed, it is necessary to rework staff workflow, create new job descriptions and adopt a runner service model for order delivery. With servers never leaving their service area and staying within constant sight of guests, it is necessary to have runners waiting to deliver food as quickly as possible. Without runners, many of the POS mobility benefits are diminished or no longer applicable. Without runners, delayed delivery time

might result in lukewarm temperatures and wilting presentations.

POS Mobility Benefits

In hospitality, possibly more than any other industry, guest experience matters because it's the journey, not the destination. Yet, in business, the destination, or results, do matter. Revenue, guest acquisition, and referrals matter. Five-star ratings directly affect the revenue of a property. In this socially-connected world, ratings via Yelp, TripAdvisor or other user rating services directly impact repeat business, thus competing with – and often beating – loyalty programs and marketing campaigns on effectiveness to drive new customers and inspire repeat business.

For large area venues, especially those conducive to repeat orders (e.g. pools, lounges, bars, nightclubs, casino floors, convention center floors, etc.), increasing speed of service directly influences ROI. For many of these large area, reorder-rich venues, introducing POS mobility and the runner model have resulted in revenue lifts of 40-60%, and occasionally more in a very short period of time. Although calculating ROI is not detailed in this article, speed of service is key to these significant revenue impacts, and is why mobility is cited as the top initiative in more than 50% of hospitality IT departments.

A formula is not required to understand the benefits. We know that guest experience is positively impacted by spending more time connecting with each guest, ensuring that the order arrives at the kitchen immediately, and delivering the order quickly. I believe this is best illustrated with an actual example: At a new Chicago property rolling out POS mobility, the server casually entered the guests' drink order on the tablet while chatting with the party about what attracted them to the brand new property. While listening to guests' opinions, a runner delivered their beers. After a moment of stunned silence, the guests' reaction: "Wow, now THAT'S service." Exactly.

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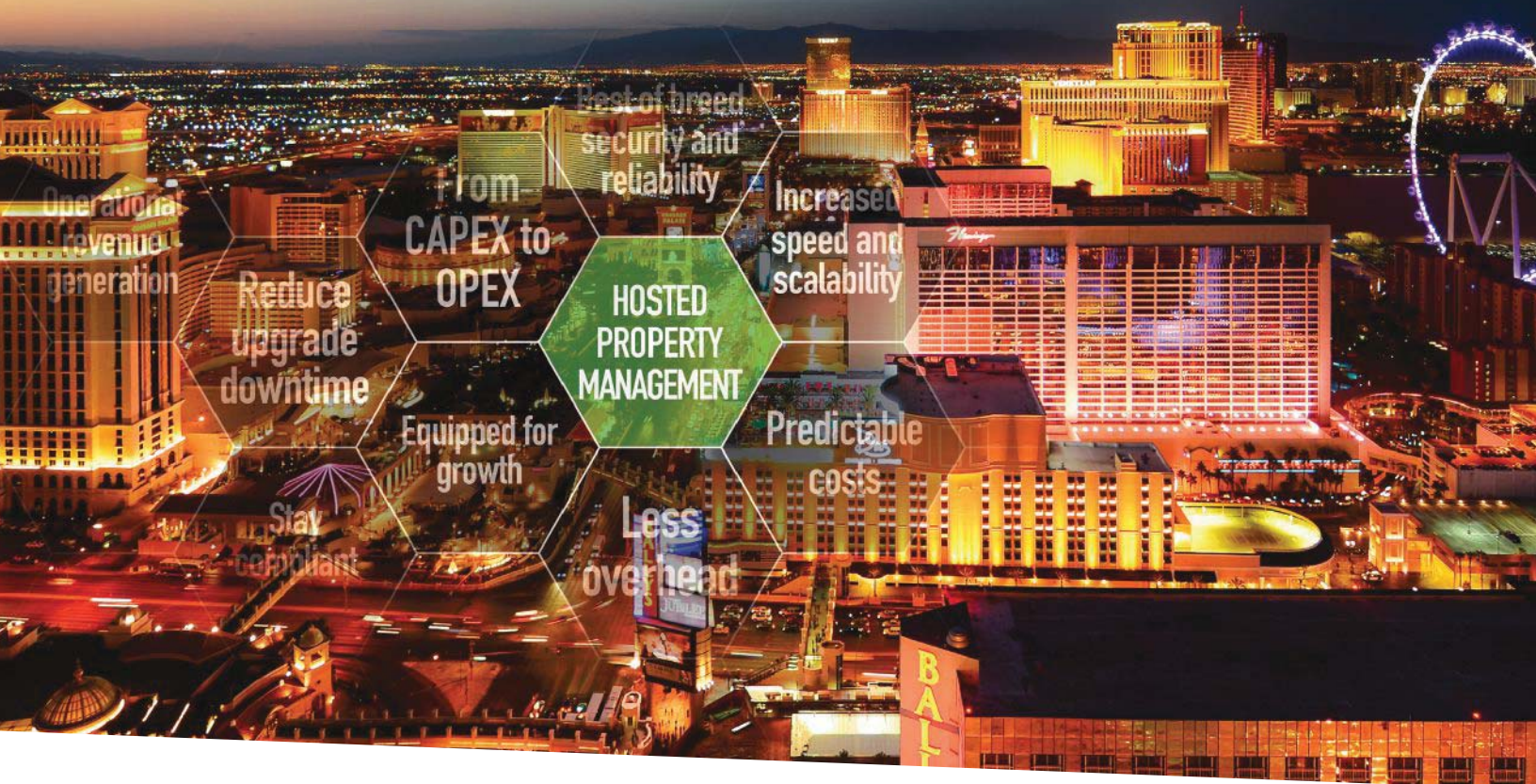
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