



## Can We Talk? Integrating F&B Systems with Club Systems and Vendors

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Clubs have used accounting systems for years, but they rarely think about integrating them with other systems. It would be hard to imagine if the accounts payable system and the general ledger system didn't integrate. Staff would have to use the A/P system to enter invoices and pay bills, but then enter journal transactions manually into the general ledger system. Many club system companies have made their name by integrating multiple functions like accounting and point of sale. But the lowly F&B department must continue to struggle with multiple spreadsheets, recipe systems, ordering systems and catering systems that don't integrate, creating huge amounts of additional labor and a much higher chance for inaccuracy.

Some clubs have purchased fairly inexpensive recipe systems with expanded capabilities for inventory and even ordering, but no integration to accounting, POS, catering or vendors. Some have bar systems but not food systems. Some have ordering systems with weaker inventory and recipe capabilities and still no integration to accounting or POS. Virtually all have a variety of spreadsheets, legal pads, order guides, paper inventory forms, and other manual processes.

With today's technology, it should not be necessary to have systems that don't integrate. Unfortunately, many software developers are reluctant to spend the time developing interfaces for dozens of accounting systems, POS systems and catering systems, let alone hundreds of interfaces to distributors. They are happy to develop their specialized systems, but unwilling to make them talk to others that may need information from them or have information they could use. The end result is unnecessary labor costs for the club.

### Who Should Talk?

- I. **Distributors:** Food and beverage systems all revolve around the items the club purchases from its distributors. So the first step is these systems must talk to the distributors to deliver purchase orders, receive confirmations, and receive bids with current pricing.
- II. **Accounts Payable System:** When goods are received, invoices come with them. These invoices need to be coded to general ledger accounts and entered into the payables system for aging and payment.
- III. **Catering System:** Banquet event orders are made of recipes that must be broken down for ordering (and costing) purposes. When the event sells, the inventory system needs to know what items should have been used out of inventory in order to determine correct usage levels.
- IV. **Point of Sale (POS) System:** Everything sold through the POS system represents required F&B usage. The inventory system needs to get the sales mix (number sold of each product) in order to calculate ideal usage and eventually theoretical food cost.
- V. **Data Collection Devices:** Mobile data collection devices (pads, scanners, cell phones, etc.) make it unnecessary to use paper forms, saving time and money. These devices need to be able to access the F&B system for whatever function they need to perform. Examples include inventory, receiving, ordering, transfers and requisitions.

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## Two Ways to Talk

Systems from different companies share data in essentially two ways. Either the systems provide data to each other independently, or they work in an integrated fashion. There are variations in each of the two major approaches, but the basics are the same.

With the **independent systems approach**, one system creates an export file containing data required by the other system. For example, inventory systems generally are used to receive goods and invoices, but the accounts payable system needs the invoice information in order to pay the vendors and properly charge the related general ledger accounts. The inventory system must provide the accounting system with the invoice information in order to avoid double entry of this information. In an independent interface, the inventory system would prepare a data file with invoice information in it, and place it somewhere on the network where the accounting system can find it. The accounting system then imports the data placed there by the inventory system. The majority of interfaces operate in this fashion.

With the **integrated systems approach**, the two systems actually interact with each other. No separate file is created, and in some cases, data is never moved from one system to the other. In a sense, the two systems become parts of each other. Using the same example as before, with an integrated approach, the inventory system would actually put invoice data directly into the accounting system's database. Alternatively, the accounting system might go directly into the inventory system's database and retrieve the invoice information it needed.

Very few interfaces are done this way, because development is far more complicated, requires more time and more testing, and is typically more costly. In addition, the support requirements are more significant, because one system can cause data integrity problems with the other system, leading to finger-pointing. The primary advantage to this approach is ease of use for the user, since they typically have nothing to do with the transfer of data.

## And Then There's the Cloud...

With today's cloud-based system, or perhaps just internet access to your F&B system, one more integration opportunity becomes available. Many smaller vendors don't have electronic ordering systems, but they all have internet access. Opening a special access portal to vendors so they can enter their bids into the club's system makes it possible for even the smallest vendors to help the club save labor. This "human" integration approach provides the final connection between systems, allowing for a completely integrated food and beverage management department.

## Worth the Fuss?

The ability to integrate the F&B system with all other existing club systems and distributor systems is an important consideration when selecting software. Who in their right mind would consider buying a check-writing system that didn't integrate to their accounts payable system? The ability to eliminate double entry of data improves speed, accuracy and represents a huge labor savings. But there are many other advantages.

Looking at the value from the IT perspective, as opposed to the operations perspective provides further evidence of value. Integration provides a single source of data collection. Data is entered in one place by the department directly involved with that function, and it gets distributed to all other systems used by other departments automatically. This way, members of one department don't need to learn the software used by other departments, while reaping the benefits of the data collected by the other departments. This also makes IT management easier, because it eliminates the need to cross-train staff.

In the end, it seems apparent that F&B management systems that can talk to other club and distributor systems are far more valuable and pay for themselves in more ways than systems with limited integration capabilities. And even though they may be more expensive than piecemeal systems, software that offers full integration actually leverages the value of all related systems, since it reduces labor, increases accuracy and reduces cross-training efforts. In this way, interfaces make each system they touch more valuable to the organization. So, before your club invests in another piecemeal approach to food and beverage management, perhaps it would be best to ask – can we talk?

*About the author: Bill Schwartz is CEO of System Concepts, Inc. (SCI). Based in Scottsdale Arizona, SCI is a food and beverage procurement and inventory management consulting firm and the developer of the FOOD-TRAK System, which is widely used in club operations around the country. Bill can be reached at 480-951-8011 or [bills@foodtrak.com](mailto:bills@foodtrak.com).*