



Multi-Link Cuts Costs for Restaurant Chains

Application Note

Executive Overview

In these difficult economic times restaurant chains are faced with reduced customer visits, while fixed costs continue to rise. This translates into rapidly increasing cost per customer. Restaurants seeking a competitive edge must find ways to improve the customer experience while keeping costs under control. Multi-Link, Inc. has provided cost-saving solutions for many industry leading restaurants and chain operations all over the globe.

The Problem

One of the key elements of success for restaurant owners, as well as franchise operations, has been the development of IT applications designed to improve the customer experience while making the store operation more efficient. Automation applications, such as Point of Sale reporting, provide daily consolidation of revenue and inventory reports. An in store fax machine can improve customer service and be an important business tool, but the monthly cost of dedicated phone lines can be expensive and often are not necessary.

In a recent interview Bill Hyde, Vice Chairman of the National Restaurant Association Educational Foundation, said "In today's uncertain and ever changing environment, management's ability to identify and manage cost could be the difference between a profit or loss at the restaurant level. Any investment with a short payback period that is associated with cost controls is one that merits attention."

Frequently, service vendors expect a separate phone line in place dedicated to each new IT application. Most of these phone lines for out-of-band network access are used just a few times a month, if at all. Many stores find that a phone line requires approximately \$500 in sales per month just to cover this fixed cost, which dramatically affects the bottom line.



The Solution

Now there is an innovative way to control the rise in operational expenses while still improving the customer experience. Installing The Stick[®], a line sharing device, at each restaurant reduces the number of phone lines necessary to support branch operations. Many times each location is able to reduce the requirement for two phone lines, saving \$100 per month/\$1,200 a year per restaurant.

The Stick provides a unique multi-device capability. Incoming calls are automatically routed to phones, faxes, or modems. Now only one phone line is required, saving hundreds of dollars per year at each branch.

Example 1: One nationwide franchise operator, with over 600 outlets, has used The Stick to consolidate their POS, fax and phone lines, saving over \$500,000 per year. With a return on investment of around 90 days the decision to deploy The Stick is easy.

Example 2: An international franchiser has over 4,000 sites. With an extensive network of IT applications, including POS, security DVR, fax machines, and window service timers, costs were skyrocketing. The Stick facilitates remote access, polling, and normal in/outbound transactions, saving over \$2,400,000 per year.

Summary

In today's economic environment successful restaurant operations will require innovative solutions to maintain their competitive advantage. New back office IT applications can help provide that advantage, but can also introduce new costs. By carefully examining the requirements of branch operations it is possible to save thousands of dollars in annual operational costs. To find out how much money you can save, download the Multi-Link cost savings calculator from www.multi-link.net.

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