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PITCHING HOSPITALITY

**A Choice Blend of Skills, Attitude
and New Technology Delivers
Mobile POS to Restaurants**

*Andrea Thomas and Michelle
Roberts (left to right), owners of
integrator Teletec Systems*

[COVER STORY]



*Andrea Thomas and Michelle Roberts
(left to right), owners, Teletec Systems*

PITCHING HOSPITALITY

As Michelle Roberts and Andrea Thomas approached the small, long-established restaurant well outside of Toronto, the two women geared up to pitch an eatery that had been operating for years with no automation whatsoever. Roberts and Thomas, sisters and co-owners of the Toronto-based VAR Teletec Systems, recommended a mobile POS application from Action Systems (ASI) to their customers: an elderly father and his daughter. When they presented the hand-held POS solution, the father brightened. "That's what I want," he said.

[BY LISA TERRY]

A Choice Blend of Skills, Attitude and New Technology Delivers Innovation to Restaurants

The fact that Roberts and Thomas could sell a cutting-edge, mobile POS to a restaurant that had made it into the twenty-first century with no automation is testimony to both the elegance of the solution and the skills and enthusiasm they bring to the job.

In fact, almost every POS system Teletec sells to restaurants includes hand-helds, and the company won an ASI award in 2004 as its top hand-held reseller. Teletec embraces emerging technology when it makes its customers' work easier, from biometrics to an integrated security/POS; from Web ordering to on-the-fly mapping of pizza delivery routes.

"The industry is changing every month," says Roberts. "We need to bring that innovation to the customer."

What's unusual about Teletec is not just that it's a reseller business that has survived the quantum leaps from mechanical to electronic to networked PC-based point-of-sale systems, or that it's a family VAR business successfully passed down to two sisters, but that a VAR out of the mechanical age is now able to consistently sell technology-forward solutions to ordinary, workaday restaurateurs of every size and stripe in an industry typically resistant to new technology.

HISTORY LESSONS

John Roberts tapped his background at NCR to start then-Teletec Cash Register 37 years ago with his wife Marlene, and they took the company through the many iterations of POS technology. Michelle Roberts

and Andrea Thomas joined the family business and ten years ago effectively took the reins, although on paper they retain the titles of VP systems-support and VP of sales, supported by a staff of 20.

Living through those transformations helps Teletec better serve cus-

tomers, teaching them to make extensive pre-assessments of restaurant operations, from processes to equipment placement to power quality, followed by extensive site preparation and planning, to best match operation to solution.

"We spend a lot of time upfront,

so as soon as the system goes in, it works," says Thomas.

It's also taught them to stay on top of technology through constant education, not only to better serve customers, but to prove their expertise and find the right products that will support customers long-term.

"It's a very male-dominated industry," says Thomas. "Some people look at us and don't realize we know what we know. You have to know more."

The company changed its name to Teletec Systems 15 years ago, and serves all restaurant verticals as a reseller of ASI Restaurant Manager, concentrating in Southern Ontario but also serving national and international chains through the support of other ASI dealers.

Teletec has also been active in retail; they had moved away from that business for a while, but are starting it up again through a new relationship with Microsoft Retail Management.

HOW TO SUCCEED WITH HAND-HELDS

Roberts and Thomas are proud of the business their parents built, and they've taken it to the next level, but the thing they're most excited about is their hand-held POS solution, ASI's Write-On Handheld.

Teletec has been working with hand-held POS solutions for 15 years, beginning with keyboard-based devices running on narrow-band, so they were excited when ASI announced a touchscreen-based version. Early installations used HP iPaks, but Teletec moved to Symbol MC50s to get longer battery life and more durability. Units are tethered to the server to prevent loss.

"It fits in perfectly with what we're doing here," says Thomas. "We saw an area we can promote and also have an edge on the industry."

The big difference is the handwriting interface, says Thomas. "Once you

[CONTINUED ON P. 27]

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STAYING COMPETITIVE

Teletec Systems is not the only family VAR whose second generation has taken the business in a new direction: David Gosman and partner Richard Rotbard bought Pearl River, NY-based PC America from David's dad and his partner. In recent years the company has made some radical decisions to stay competitive, like merging its restaurant and retail applications into a single package and unveiling a lost cost Web-based POS system.

Merging the applications helped PC America streamline support, but it has enhanced customer experiences as well. Those with combination retail/food operations are obvious beneficiaries, but even more straightforward operations can now borrow from others' business practices: retailers offer "happy hours" with lowered prices using functions usually associated with restaurants, while the latter tap the robust inventory tracking normally associated with a retail store, for example.

Together with the multi-site hosted POS application, the company grew 33 percent last year, Gosman says, and is enabling PC America's move into larger retail and restaurant chains and grocery.

As with Teletec, PC America's secret to success is in taking

time to understand customers — even working in their customers' establishments — then offering them an easy-to-use, low-cost solution. The company sells both direct and through VARs.

"We're development and service-oriented," says Gosman. "We see them as dependent upon each other." The company and its staff of 15 to 20 release four updates a year, next adding such features as labor scheduling, Web sales, payment processing, electronic check conversion and electronic shelf labels, even a multi-lingual version to keep up with customer needs.

"Customers have certain things they want, and if you provide them, they're happy," Gosman says. That includes personalized applications and support, he explains.

What has changed in the retail and restaurant systems markets is competition, with the entry of big names like Microsoft and Dell. "That's only helped us by keeping us on our toes," Gosman says.

"We're very forward-thinking," he adds. "We research clients to make sure our product has the features they want, and sometimes modify it before we even go to see them. You can't develop by feature list. You've got to walk in the store and talk to the owner to know what they need."

[CONTINUED FROM P. 14]

learn how to use the hand-held you, can write the order without breaking eye contact with the customer." Shortcuts are tailored to each restaurant — "F" might mean French fries in a QSR, or foie gras in an upscale resort — and mimic current processes and ease-of-use.

"This takes hospitality POS to the next level by taking orders tableside and speeding up service immensely."

Teletec's ability to demonstrate how the solution cuts labor costs, reduces errors, enables upselling and more customer attention, and increases table turns and sales helped it win early converts, and those installations have had a snowball effect, encouraging others to try. Some installations now include more hand-helds than stationary terminals, including manager hand-helds.

"They now see POS as taking up variable real estate in the restaurant," says Roberts.

Hand-helds are not the only

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emerging technology Teletec has embraced. They invested in a card printer to reduce the cost of employee ID and gift card production for customers, and now promote biometrics as a way of eliminating employee cards completely. That does cost them in card production revenue, Roberts admits, but “a happy, referenceable customer goes a lot longer than selling 20 cards.”

At the same time, Teletec is careful not to stretch too much into new gadgets, endangering their ability to focus on systems that are reliable and simple to use.

IT'S A PARTNERSHIP

Not every customer embraces emerging technologies right away, so it helps to sell solutions modularly, allowing the customer to add such functions as frequent diner programs, liquor control and draft beer meters, and gift

card programs when they are ready.

In that vein, Teletec works to develop long-term relationships with customers. “Now we’re more like partners,” says Roberts. “The whole industry seems to have changed that way. We’re in long-term relationships with our customers.” A high level of service and support are essential to maintain those relationships.

And that’s the route to profitability for today’s VARs.

“There are very small margins on hardware and software,” says Roberts. “There’s a fine line between the revenue you can charge for systems and overkill. People have to respect the level of service they’re getting.”

Teletec does charge fees for installation and training, as well as maintenance. They also support customer networks in managed services arrangements. “You’ve really got to

create an atmosphere where customers will pay for services,” Thomas notes.

Teletec resells primarily Posiflex POS and locally sourced hardware, Symbol hand-helds and Epson printers, both because of their quality and to preserve margins.

“We feel there has been a change in customers,” says Roberts. “They’re a lot more educated today about PCs, therefore we had to get away from consumer products to keep revenue for our company, and it helps keep us within industry standards.”

A focus on quality customer service and embracing emerging technology has proven to be the right combination for Teletec.

“Our staff is extremely behind our company and our way of thinking,” says Thomas. “They have the same focus and level of customer commitment.” **V**

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