



HARBORTOUCH

Case Study: Restaurant Software Solutions

VAR experiences new revenue streams and increased profitability through Harbortouch.

Scott Spitzberg, owner of Restaurant Software Solutions, has many years of experience selling, installing, and supporting POS and has run across many different types of restaurant customers. He's identified two groups that, historically, haven't been great opportunities for new business. First, there are legacy customers who want to leverage systems they have in place rather than spend money on new technology. Their hardware is outdated, they haven't kept up with current versions of software, and they don't want to pay for a support contract. The second group is restaurants that are new, haven't had time to establish credit, most likely spent much of the start-up money on equipment and décor that usually goes over budget, and have yet to serve their first customer. In short, it's very hard or impossible for them to acquire a POS system by writing a huge check or qualifying for a lease.

While Spitzberg used to focus his attention elsewhere for sales, today — with Harbortouch and its POS-as-a-service model — Spitzberg has discovered he can win business in these customer segments. The results include not just new revenue streams, but increased profitability for the VAR.

Take, for instance, a recently completed Harbortouch installation for Offsidez Sports Bar in New Jersey. Spitzberg says the establishment was recently opened by three partners who were new to the restaurant business.

After a current customer referred Restaurant Software Solutions to the owners, Spitzberg went in and did a full demo of what you could consider a traditional POS system (requiring a large cash outlay upon purchase) and Harbortouch, discussing the differences between the two choices. In the end, the owners decided Harbortouch was the better option for them. "The owners appreciated that they didn't have to outlay cash up front, that 24/7 service was included, there is a lifetime warranty on the hardware, free paper and ribbons," recalls Spitzberg. All the owners had to do was qualify for a merchant processing account.

More importantly, the owners felt that the features of the Harbortouch system were very similar to those of competing products. "Having a feature set that met their essential needs — creating a bar tab, sending orders to the kitchen, and processing payments — at the right price, made the decision easy for the owners," says the VAR.

Spitzberg placed the order for two Harbortouch Elite bundles that include the POS terminal with mag-stripe reader, thermal receipt printer, and cash drawer. The restaurant also bought a kitchen printer. The customer signed a 3-year agreement for the equipment.

While the owners weren't interested in taking advantage of many of the other Harbortouch features and functions such as online ordering, an iPad tableside ordering app, customer loyalty, and Apple Pay, Spitzberg feels it's only a matter of time before the owners feel more comfortable with the system and want to add the functionality. "When they want it, it's there waiting for them," says Spitzberg.

Harbortouch Model = Increased Dealer Profitability

For each unit sold, Spitzberg gets a one-time signing bonus and then earns monthly residuals based on the payment processing of each client.

"The residuals are among the highest in the industry that I'm aware of," he says. For the sake of comparison, Harbortouch pays as much as 6 times more than other processors. As far as the one-time bonus for each unit is concerned, Spitzberg feels it's generous considering that he doesn't have to apply any in-house labor to Harbortouch deals. Since Harbortouch handles the programming, installation, and tech support, Spitzberg's profitability remains very high on those deals. He contrasts this with traditional POS deals that might look like more money up front, but require him to have a higher payroll, spend time programming the system, spend days training, and spend time on support. At the same time, Harbortouch's VAR partners are free to offer their own support packages for additional revenue. At the end of the day, Spitzberg doesn't think the big traditional "cash up front" POS sales actually yield more money than he gets from working with Harbortouch. "With the traditional sales method, I can only do so many deals in a month and it depends a lot on how many people I can hire," he explains. "With Harbortouch, I'm infinitely scalable. With the support resources available from Harbortouch, I am freed up to spend much more of my time on sales." Spitzberg has discovered something else about the Harbortouch model that he really

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Scott Spitzberg,
owner, Restaurant Software Solutions

likes — the centralized handling of support means the company is really effective at solving problems. “With the traditional POS model, dealers and VARs have become the support system, but everyone is stranded on an information island,” he says. “Someone might uncover a problem and figure out how to solve it, but that information never gets around to other dealers who could also benefit from it. With Harbortouch, their technicians have access to a database of every problem every customer has had, which means they can quickly solve problems and uncover potentially widespread issues.”

Satisfied Customers For Life

What happens when that new restaurant that didn’t have the money or business history to buy or lease a POS system the traditional way now has that ability? Do they view Harbortouch as an intermediary solution and look to jump ship? Spitzberg says the opposite is true. “We don’t have customers who want out of their Harbortouch agreement,” he says. “Our Harbortouch customers are as satisfied or more satisfied with their POS solution than customers running other POS solutions.”

He explains why he thinks Harbortouch is so successful and customers are so satisfied: “Harbortouch does it all very well — hardware, software, processing, tech support – all under one roof. The only other companies that come close to that level of vertical integration are Micros and Aloha. With every other system out there, you’ve got up to four different companies involved in placing a solution. When there’s a problem, VARs are stuck solving problems for all these different companies. You can put Harbortouch in the same league as Micros and Aloha and they compete everywhere, except for price, where Harbortouch crushes them.”

About Harbortouch

Harbortouch is a leading national provider of touch screen point of sale (POS) systems and payment processing services. As pioneers of the “as-a-Service” model, Harbortouch offers an unprecedented “free” POS program that allows the company’s sales partners to offer a full-featured POS system with no up-front costs. For more information about Harbortouch, visit www.isoprogram.com.