

# Secret Recipe improves responsiveness and customer relationships with an IBM POS solution

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## Overview

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### ■ Challenge

*Improve customer service at point of sale through new efficiencies and process improvements to maintain and grow a market-leading position.*

### ■ Why Become an

#### **On Demand Business?**

*To integrate people with processes for improved customer responsiveness.*

### ■ Solution

*An IBM wireless point-of-sale (POS) solution integrates wait and kitchen staff to streamline the serving process throughout the café chain.*

### ■ Key Benefits

- *Up to 20 percent faster food delivery.*
- *Increased sales by 10 percent.*
- *Five percent improvement in staff efficiency.*
- *Reduced paperwork.*
- *Minimized billing errors.*

#### » **On Demand Business defined**

An enterprise whose business processes—integrated end-to-end across the company and with key partners, suppliers and customers—can respond with speed to any customer demand, market opportunity or external threat.



### Increasing sales and tracking sales information

Secret Recipe Cakes & Café (Secret Recipe), an award-winning café chain based in Kuala Lumpur, Malaysia, operates 100 cafés across Southeast Asia. The company delivers high-quality meals quickly, at a reasonable price, and is deeply focused on server-customer interaction. However, Secret Recipe ([www.secretrecipe.com.my](http://www.secretrecipe.com.my)) was concerned that its traditional system of handwritten orders and cash registers was restricting the chain's potential for growth.

*“The solution has enabled us to reduce our serving time by five to eight minutes from initial ordering to serving, and we can now settle bills within seconds. As a result, customer satisfaction has increased and that has been reflected by a 10 percent sales increase in the first month following implementation.”*

— Jessie Low, Chief Financial Officer, Secret Recipe Cakes & Café Sdn Bhd

## ***Integrating solutions that help enable On Demand Business***

### **On Demand Business Benefits**

- Up to 20 percent faster food delivery, directly improving customer satisfaction.
- Increased sales by 10 percent in first month after implementation.
- Five percent improvement in overall staff efficiency.
- Once orders are taken by the staff using a PDA, the order will be generated in the kitchen and at the payment counter immediately, thereby reducing paperwork.
- The more automated ordering system has minimized billing errors due to human error.

Secret Recipe employees were using pen and paper to take orders, walking the orders back to kitchen staff and ringing up sales transactions by hand, using traditional cash registers. This process increased the probability of error and forced wait staff to constantly trek back and forth between their tables and the kitchen. Additionally, traditional cash registers did not offer the company any advantages when it came to tracking supplies, performing accounting tasks and obtaining sales reports. Secret Recipe realized that its traditional methods hampered inventory control, reporting and sales analysis, while also preventing it from delivering world-class customer service.

To keep hungry customers happy and coming back for more, while more effectively monitoring its business, Secret Recipe needed to connect wait staff to kitchen staff to the back office. The company began looking for a solution that would standardize its technology across multiple sites, increase overall sales and improve tracking of its franchisees' sales information.

"We faced typical food-service industry problems such as human error and inconsistencies in the order process," explains Jessie Low, Chief Financial Officer, Secret Recipe. "We needed to decrease serving time while increasing efficiency and staff interaction with clientele. We also wanted a scalable solution that could eventually be linked to our ERP (enterprise resource planning) systems to address reporting, inventory and stock shortage issues. The current IBM solution has three phases—point of sale (POS), inventory, and back-end information. We foresee that the second two phases will increase accuracy and traceability of inventory and will also shorten the reporting process. To date, we have only implemented the first phase and it has helped to resolve the customer service issues we faced."

### **Increasing customer service with handheld PDAs**

Using wireless POS systems, IBM Business Partner i-Waiter Solutions helped Secret Recipe integrate café operations to ensure that orders are taken quickly and accurately; that they are efficiently relayed to the kitchen staff; and that they are processed correctly at the register. The solution uses IBM SurePOS™ 500 systems in conjunction with i-Waiter software and Palm personal digital assistants (PDAs), allowing employees to capture orders in real time and instantly and accurately feed them to the chefs. Now wait staff can spend more time interacting with customers and driving sales.

The solution includes a front-end application (Waiter POS) and a handheld-device application (Waiter PAD) from i-Waiter Solutions. Today, most of Secret Recipe's smaller cafés use only one POS system, while larger cafés require two. During the initial rollout, IBM implemented 30 POS systems at 25 sites. The company expects to install POS systems at more than 50 additional sites by the end of 2005. Secret Recipe is pleased with the first stage of the implementation. The IBM SurePOS 500 has an innovative touchscreen interface designed to enable rapid, convenient transactions while withstanding harsh food service environments. "The stability of the robust hardware in a hot, humid and oily café kitchen environment is a big plus for us, and it is backed by an IBM guarantee of hardware replacement," Low explains.

After deploying the new IBM POS solution, employee productivity at Secret Recipe increased by five percent, and service delivery times improved between 10 and 20 percent. Overall, the company's sales grew by approximately 10 percent, according to Low.

#### **Integrating front-end sales data with back-end systems**

Secret Recipe plans to integrate the POS system with an application from Stockpro that will help reduce paperwork and improve the accuracy of company data related to waste and inventory shortages. IBM is also working to integrate the front-end POS system with a back-end enterprise resource planning application from Exact Software. The IBM SurePOS 500 systems will use File Transfer Protocol (FTP) to communicate with multivendor back-end systems at the company's main office, and all sales data will be automatically transmitted to Secret Recipe's back-office business intelligence and inventory management systems. The IBM SurePOS systems will send sales data using a Streamyx broadband connection.

#### **POS system helps Secret Recipe create a more professional image**

Because the sleek POS solution more efficiently routes orders to kitchen and payment terminals, Secret Recipe's wait staff now has more time to spend interacting with customers. As a result, they can provide better, more personalized service. And because it will become faster and easier for managers to access accurate sales information, they will be able to focus on analyzing trends and improving café operations as needed.

### **Key Components**

#### *Hardware*

- IBM SurePOS 500
- Waiter PAD
- Multivendor environment using a Streamyx broadband connection

#### *Software*

- Waiter POS
- i-Waiter Ready for IBM Retail Store Innovations validated applications

#### *Business Partner*

- i-Waiter Solutions

*“The efficient and modern POS system helps us to create better branding for Secret Recipe. Secret Recipe was able to realize this transformation because of the commitment of the partners that we work with at IBM and i-Waiter.”*

– Jessie Low, Chief Financial Officer,  
Secret Recipe Cakes & Café Sdn Bhd

The new POS solution helps to create a more sophisticated, professional image for Secret Recipe. There are minimal billing errors with the new system, and franchisee sales figures are much simpler to track than with the previous solution. "The efficient and modern POS system helps us to create better branding for Secret Recipe," explains Low. "Secret Recipe was able to realize this transformation because of the commitment of the partners that we work with at IBM and i-Waiter."

**For more information**

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