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The Fourth Option

28 February, 2011

By [Hamish Champ](#)

An external system which provides managed operators with functions such as employee management or stock control could ultimately cut costs, save time and improve profitability

The days of filling in order forms for a pub's supplies and things like staff rotas and holidays could soon be a thing of the past for an increasing number of operators.

The growing popularity of 'Cloud' technology, where data can be hosted centrally and accessible from anywhere, means a company can cut its running costs and yet dramatically improve its working practices, its approach to customer service and employment and, ultimately, its profitability.

Fourth Hospitality is emerging as one of the leading companies providing pub and bar operators with employee management and stock control systems. The company believes that for relatively little outlay it can save an operator a significant amount of money together with that other vital resource: time – time that can be invested back into ensuring both staff and customers are happy.

Joined-up thinking

Founded in 2000 by restaurant entrepreneurs Derek and Edwina Lilley – who created the eatery chain Est, Est, Est, among others – it spotted a void in what sales director James England calls "joined-up thinking for back-office functions".

"There are lots of manual processes and there is lots of duplication in running a pub, bar or restaurant business, and these don't need to happen," he says. Plus errors can occur, like

the case of a staff member in a pub operation who was being paid months after leaving the business.

Companies didn't realise that systems could be more joined up, England believes, but Fourth Hospitality is striving to alter this perception. It now has the likes of Fuller's, Marston's, Orchid Group, Barracuda and Punch Taverns' managed house business on board, using its remote but accessible procurement, menu management, payroll and staff management systems.

At the touch of a few buttons, staffing rotas and supply orders can be sorted and readily accessed later, if needed.

Which is all fine and dandy, but in these days of hacking and internet theft, how secure can such systems be?

"Very," assures England. "Security is at the top of our agenda. Our systems are frequently put to the test by both our clients and ourselves."

But isn't placing systems with a company like Fourth a move akin to putting all one's eggs in one basket? England is confident on this point too. "We're not replacing existing accounting or EPOS systems; we sit between the two," he says.

"Managers can key in rotas, or supply requests more effectively and without the need to check off manual invoices with each delivery. They can be accessed by head office with similar ease. This saves time for all parties."

Suppliers hook up to the system as well, meaning they know exactly what's going on and can send back responses to supply requests electronically.

Less to-ing and fro-ing

There is always a lot of to-ing and fro-ing between the unit and head office, says England, and a system like Fourth's "can make this all disappear". Not only does the pub have to deal with less in the way of paperwork, head office has fewer things to contend with too.

Fourth Hospitality claims it can add between two and seven per cent to a company's gross profit for as little as £100 per site per month, depending on how large the client is. The rate moves to around £200 per site on an individual pub basis.

Orchid Group has used Fourth's 'Trade Simple' electronic ordering system for some time. Lee Thomas, the group's trading systems manager, says it has "streamlined the way we work by cutting out unnecessary cost and inefficiency from our day-to-day processes".

England says the system is important in a large and varied estate, allowing Orchid the opportunity to manage individual sites, "ensuring that only products relating to the relevant part of the business are available for a specific unit to purchase".

There is, he believes, a "huge awakening" across the hospitality sector – and particularly in the pub game – for this sort of time and money-saving technology.

"If this takes £5m out of the cost of running your business and frees up your managers to spend time with their staff and, importantly, their customers, it's going to be an attractive proposition."

And you can't say fairer than that. Can you?

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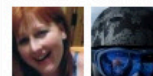
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