



TABLETECH PARTNERS

# A Small Business Guide to Understanding Cloud-Based Point of Sale (POS) Systems

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# What is Cloud-Based Point of Sale?

## ***The Progression of Accepting Payments Has Changed Dramatically.***

Technology has transformed our lives in ways we could never have imagined, and it has done so in a remarkably short time. This rapid technological growth has impacted every industry simultaneously, including payment processing. One thing is certain: the pace of technological advancement is fueled by our eagerness to embrace it.

## **cloud-based pos:**

“Cloud computing is the on-demand availability of computer system resources, especially data storage and computing power, without direct active management by the user. The term is generally used to describe data centers available to many users over the Internet.” (2020, April 13).

In simple terms, business owners can access and manage their real-time data, reporting, inventory, and other essential business information from anywhere in the world. For instance, on a micro-level, owners can receive text message alerts when inventory is running low or if an employee opens a cash drawer for reasons unrelated to a sale.

## **Why This Matters to You, the Owner:**

Traditional non-cloud POS systems operated using a centralized unit known as “the brain.” This brain was a single terminal within the business that stored all relevant information, including inventory, sales history, reporting, employee data, menus, pricing, and other irreplaceable data. The downside of older POS systems was that if this central unit malfunctioned; the business owner would lose all their information everything gone. With a cloud-based system, crucial business data is stored in the cloud. This means that even if one of the systems were to be damaged or destroyed, the owner would not lose any data.

While I don't recommend tossing your system out the window, if a cloud-based POS system were accidentally thrown out, the business owner would still retain all their data.



## how cloud-based pos can help your business

Every business owner faces key questions: How do you reach your customers? How are your employees reminded of their schedules? Do you know where your customers live and where they prefer to shop (not just hunches or assumptions)? How can you engage customers while they are physically present at your business? How do you know when an item or an entire bill has been deleted? How effective are your employees at upselling? Do they upsell?

Much like your phone has apps for fun or photo sharing (e.g., Instagram), most cloud-based POS systems have an app marketplace featuring business management applications designed to help you run your business more effectively and efficiently.

For example, Clover Point of Sale provides real-time reports, an app market with over 300 applications to assist your business, integrated Wi-Fi marketing, 24/7 support, payroll services, and easy-to-read data that offers an overview of your entire business.



## examples of a pos app marketplace

Below are just a few examples of some of the apps available on the Clover App Market and what they can do for your business:

- Davo Sales Tax: Davo automatically collects, files, and pays sales tax on your behalf.
- Ping Me If: Receive email or text alerts when specific events occur at your business, such as:
  - When a payment, refund, or discount exceeds a specified amount.
  - When an item or an entire order is deleted.
- VivaSpot Wi-Fi Marketing:
  - Provide free Wi-Fi to your guests
  - Build and grow your email database.
  - Capture phone numbers and send text rewards (similar to Starbucks).
- UpSell & CrossSell: Employees will receive pop-up suggestions to sell additional products. For example, if a customer orders a cup of coffee, a suggestion to order a muffin will pop up.
- Menufy: Builds websites for free, takes orders online that go directly to your Clover Station, includes a built-in loyalty program, allows group ordering, and more!
- Payroll Integration\* \*: Automatically sync employee hours and calculate, file, and remit all federal, state, and local payroll taxes, as well as manage W-2s and 1099s.

**Think about your biggest challenges... chances are, there is already a developed solution for those problems!**



# What is Merchant Processing & How Is It Priced?

## what is merchant processing?

Merchant processing refers to a business accepting credit cards for customer payments. The major card networks (Visa, MasterCard, American Express, and Discover) set the rates (known as Interchange Fees), which are usually adjusted at least twice a year. With over 500 different credit cards in the market, each has its unique interest rate that the business owner must pay to process transactions.

## How is it priced?

- 1. Interchange Plus:** A rate is charged on top of the Big 4 set rates to handle processing the physical transaction. For example, if the processor charges 1% plus \$0.10 per transaction, this is in addition to what the Big 4 charge.
- 2. Flat Rate:** The processor charges a single rate for all cards. For example, the processor might charge 2.7% plus \$0.10 per transaction for any card, which includes the charges from the Big 4.
- 3. Cash Discount/Surcharge:** Essentially, this means the customer pays the card fee. Contact Keith to learn more: [Keith@TableTechPartners.com](mailto:Keith@TableTechPartners.com)

### ***Don't Believe the Noise:***

Business owners often dislike paying processing fees, and their apprehension is justified due to high fees paid in the past (pre-Google days). However, the newer pricing platforms are much more merchant-friendly.



## cash advances - working capital

Many point of sale companies offer working capital through cash advances. This typically involves the cash advance being based on your processing sales, with repayment occurring through future transactions. For instance, if you process \$50,000 a month, they might offer you a cash advance of \$40,000. A portion (for example, 12%) of your daily Visa and MasterCard sales would go towards repaying the \$40,000.

In the long run, these terms can be more favorable and easier to manage than a traditional bank loan, particularly because there are no fixed payments. With cash advances, if you sell less in a month, you owe less, whereas with a bank loan, there's a set payment due every month, regardless of your sales.

### **Use cash advances to:**

- Grow & expand your business
- Make renovations
- Upgrade your equipment
- Boost your inventory for unexpected events

### **Advantages of the Cash Advance:**

- Fast application process
- Quick funding (generally 2-3 days)
- Repayment based on your sales
- No fixed term or payment amount
- No interest rate
- No personal guarantee required
- No collateral necessary



## 7 Questions to Ask Your Restaurant Technology Consultant

Beyond inquiring about the cost of the equipment and the credit card processing fees, make sure to ask the following questions. These inquiries will provide insight into both the technology you are considering and the consultant you may be working with. A competent, service-oriented consultant is crucial to maximizing the full potential of your point of sale system.

1. Are there software upgrade fees? (These can be significant)
2. Do you charge for tech support?
3. Who do I contact if I have a problem with the system?
4. Can the consultant recommend three apps that would benefit your business?
5. Who provides training for the owner and staff? Is there a fee for this?
6. Can the consultant provide references and names of other merchants using that specific point of sale system?
7. Can you see either a sample report or a demo of the reporting features? Some systems have reporting that is tailored specifically for retail or restaurants.

# my bio & commitment

I help business owners use cutting edge technology, business management strategies, and a philosophical approach to create an environment that draws customers in, and more importantly, keeps them coming back. Like gravity, there are laws that govern the movement of particles and within the restaurant industry, there are laws that govern the movement of people.

I understand the day-to-day challenges restaurants face. I've been in the Food & Beverage industry for nearly 30 years. I started as a dishwasher when I was 12 years old for a local, family-owned restaurant. I've waited tables, bartended, and filled in for cooks when we were stuck and there was no one else to work the grill. I have sold for the two largest wine & spirit portfolios in the world - Diageo & Moët Hennessy, to some of the largest accounts in the United States. I have managed corner bars and a multi-unit casino.

In 2019, I hosted "The Restaurant Life with Keith Christy" on WWDB-AM 860 in Philadelphia where I interviewed the creative forces in the Food & Beverage industry; from owners to executives, point-of-sale app developers, industry-specific attorneys, marketing firms, and other professional resources. I have a Masters in Organizational Development & Leadership from Saint Joseph's University and an Executive Masters in Global Business from the Säid Business School at the University of Oxford.

I point out my background because I know what restaurant owners go through on a daily basis and I've dedicated my life to become a valuable resource for business owners. I've stood alongside owners who work hours most people could never fathom. For owners, there are no 9-5 days, no weekends off; their minds continue to work even when their bodies force them to rest. I know how hard it can be to keep an eye on the staff while worrying about inventory, filling the seats, and adhering to an infinite number of government regulations- all the while striving to serve the perfect experience **consistently**.

But the world has changed. There are tools and knowledge that can tremendously help owners successfully manage their business. It can be easier, much easier. And it can be done at a cost that is fair to you. It is my hope that the pages that the knowledge shared helps you make immediate changes in your business that carry over into your life. Because your business is your life.

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