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# Extreme Pizza:
# Using Technology for
# Extreme Growth

White Paper

# Extreme Pizza: Using Technology for Extreme Growth

There's nothing moderate about Todd Parent, founder and CEO of Extreme Pizza in San Francisco, Calif.

Just look at his company's motto: Extreme. Not Mainstream. "Life is too short for mediocrity," he says. "We strive to ensure extreme delivery, extreme customer service and extreme dining."

That philosophy has led to a stream of awards not only for tasty pizza, but for rapid growth. Started in 1994, Extreme Pizza boasts 34 locations and an ambitious goal of 10 new locations a year.

Parent's extreme philosophy is reflected in his use of technology to manage every aspect of the business—from on-line ordering to point-of-sale to back-end reporting.

The first step was upgrading from the company's old DOS-based POS system to Phoenix Point-of-Sale from FireFly Technologies in 2006. "Phoenix is the preferred POS for Extreme Pizza," says Parent. "Every new store will use the Phoenix system. And we're converting all of our existing locations that don't already use Phoenix. It was the technology and the team behind FireFly that sold us. You want to do business with people you like and trust."

The Extreme Pizza team is particularly pleased with the Phoenix system's reliability, remote accessibility, and the scheduling, security, delivery, and deferred order features.

## Add On-line Ordering to Your Menu …What's Not to Love?

- Increase ticket averages by up to 15![1]

- Boost and order volume.

- Process extra orders without adding employees or phone lines.

- Give customers the convenience of Web ordering.

- Track and edit all on-line orders in the POS system.

- Enjoy a seamless order process for you and your customers.

## On-line Ordering—The Next Step

Extreme Pizza opted to integrate their Phoenix system with Brygid Restaurants Online from Brygid Technologies, an on-line ordering service provider based in Vancouver, B.C. "With 1,200 to 1,800 on-line orders a month per location, the Internet is an increasingly important component of our business," says Parent. "The integration between Brygid Restaurants Online and our Phoenix system helps us service our on-line customers more quickly and, at the same time, saves significant labor dollars."

## Tips for Integrating Your POS System

Preparation is key to successfully integrating your POS system with a third-party vendor. Restaurant management consultant George Yudell has these tips:

1. **Prepare to answer hard questions about how you want to do business.** For instance, how do you want to enforce labor laws or how are discounts treated? The answers will affect how your new software is configured.

2. **Become a business detective.** The process of setting up and troubleshooting during integration will highlight good—and not so good—business practices. Take the time to learn from the process.

3. **Expect some trial and error.** Successful integration is a process of testing and re-testing to ensure the integration runs smoothly. There will be some bumps along the way.

4. **Be patient.** It may take a couple of months to iron out all the bugs, but the time and money you save will be worth it.

5. **Choose a technology vendor who has experience integrating their solution with your POS system.** Extreme Pizza, for instance, paved the way for other Phoenix users to more easily integrate their POS system with Ctuit's business reporting software and Brygid Technologies' on-line ordering capabilities.
   — George Yudell is with **Consult GY**, a Restaurant Management Consulting firm

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Orders from Extreme Pizza's on-line ordering Web site are automatically sent to the Phoenix POS system via an XML interface and are printed out at the makeline printer at the store closest to the customer. Data encryption protects transmission of customer credit card data.

"The on-line ordering process is transparent for Extreme Pizza's customers," says Christopher Bissonnette, business development manager at Brygid Technologies. "They don't know–or have to care–that their order is going from www.extremepizza.com through Brygid's on-line ordering engine into the Phoenix POS system. Integrating Brygid Restaurants Online with the Phoenix POS system is a wonderful example of complementary technologies working together to help restaurant owners grow their business in a manageable way."

Previously, on-line orders were printed out on a fax machine and had to be manually entered into the Phoenix system. The result? Customers were waiting more than hour for their pizza. "It took the staff up to 15 minutes to find the time to manually enter in on-line orders," says George Yudell, a restaurant management consultant who helped with the integration. "That delayed the delivery time of on-line orders. It's much quicker now. The other day, I placed an order from Extreme Pizza's Web site, and switched immediately over to Phoenix's remote access feature to track the order. By the time I accessed the Phoenix system, my order had been printed and marked for delivery. It was that fast."

The integration wasn't a seamless process, though. It took several weeks of testing before the two systems were communicating without error. "Extensive testing is a normal part of integrating two different systems," Yudell says. "For instance, an on-line customer typed in a note on a menu item about how he wanted to apply a coupon. That created an error in which the ticket printed without an address or phone number. But everyone worked together to correct it. Now it's not a problem."

## Back-office Integration—The Final Frontier

Like many a restaurant operation, office employees and managers at Extreme Pizza have spent numerous hours on data entry tasks. Yudell estimates that sales data, commissary invoices, vendor invoices, and other forms of data entry take about 115 to 130 hours a month—almost the hours of a full-time employee. So Extreme Pizza turned to another FireFly technology partner—Ctuit Software—to eliminate cumbersome data entry tasks and to provide the company with business-intelligence software.

Ctuit eliminates redundant data entry by automatically pulling data from a point-of-sale system and dumping it into the restaurant's payroll, accounting, and general-ledger systems, says Shawn Green, Ctuit's vice president of sales and marketing. "Plus," he says, "Ctuit aggregates the data at night, allowing restaurant operators to see a dashboard the next morning of what happened at every level, from individual server productivity up to consolidated store numbers."

As with on-line ordering integration, the process of automating the back office was a detailed, multi-step one:

**Hours Saved by Eliminating Manual Data Entry**

- **Daily sales entry:** 16-20 hours per week

- **Commissary invoices:** 25 hours per month

- **Vendor invoices:** 6 hours per week

- **Payroll processing:** 16 hours a month

- **Physical inventory entry:** 2-4 hours per month

**1. Pulling POS sales data.** "Synchronizing the data between Phoenix and Ctuit required a little tweaking," Yudell says. "We had a $5 discrepancy in sales between Phoenix/Ctuit and the manual data. We discovered it was because of an order that was entered after the store had been marked 'closed' according to the Phoenix system. We reset the closing hours and the Phoenix system retroactively corrected itself. When we downloaded the numbers from Ctuit the next day, it was correct."

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**2. Creating the interfaces for general ledger and QuickBooks.** The goal: A seamless flow from Phoenix to Ctuit to GL and QuickBooks. "You want to make sure the numbers are good before you go 'live,'" says Yudell. "Extreme Pizza set up a fake QuickBooks business to make sure the numbers matched."

**3. Creating the payroll interface.** Extreme Pizza uses ADP for payroll, a company Ctuit had experience with. "It's similar to the interface with QuickBooks," says Green. "We ran parallel numbers to ensure an exact match before pushing the data electronically."

## Beyond Data Entry Automation

For Extreme Pizza, the benefits of integrating Phoenix with Ctuit extend beyond eliminating data entry and cutting labor costs.

**Timely data analysis for sound business decisions.** "Now we can compare store numbers the next day without waiting for managers to fax over the daily sales numbers," says Parent. "Sometimes corporate wouldn't get it until the middle of the day. Now all the key numbers—high sales, labor percentage—are right there."

Yudell also sees the benefits of timely numbers. "If cheese costs are rising, you can address the problem only two weeks later, instead of waiting six weeks. You'll save yourself that much more money. The same principle applies to solving problems regarding labor, sales, marketing—all areas of the restaurant business, in fact."

**Better use of employee resources.** "Ctuit streamlines the process so managers can manage instead of doing data entry," says Green. "They are analyzing their store's operations and making needed changes."

It's the same story at the corporate office. The heads of human resources and accounting at Extreme Pizza spent valuable time entering data. "Now, they can focus on analyzing the numbers and bettering employee relations," says Yudell. "Plus, Extreme Pizza won't have to hire more people for data entry just because they are opening new locations."

Another, less obvious, advantage is employee retention. "You want to hold on to the good, smart people," Yudell says. "They're bound to hang around longer if their jobs are more than just data entry."

**Compliance with labor laws.** "The labor laws in California are tough," says Yudell. "The integration between Phoenix and Ctuit helps Extreme Pizza be compliant by ensuring employees are automatically paid for their breaks, by doing exceptions, and paying our people correctly. Together, the integration has driven labor laws further than one partner alone can go."

**Greater accuracy.** "The integration between FireFly and Ctuit will reduce the errors that inevitably occur with manual data entry," says Parent. "Now, we can be sure our numbers are that much more accurate."

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## Looking Back

"The whole integration process has been about timing," says Yudell, "such as waiting for partners to finish with something so we can move forward. The San Bruno store was the guinea pig for much of the technology development at Extreme Pizza. They were very patient and great at communicating issues when they arose."

He's quick to praise FireFly, Ctuit, and Brygid for working hard to meet Extreme Pizza's requirements. "Extreme Pizza is a very demanding client," he says. "They've driven development, and FireFly has been very responsive. Plus, FireFly was open with their code, which really sped up the process. Brygid provided stellar service. They stayed late during the deployment to make sure it was a success. And Ctuit has been amazing, especially how they can configure the data to fit a client's request. I gave them a challenge, thought it would take a week, but they turned it around in an hour."

## Looking Forward

"The IT package for Extreme Pizza franchises is very attractive," says Parent. "The more you can automate your business, the better. Technology is making Extreme Pizza easier to run and, ultimately, more profitable."

Yudell has to agree. "Fifteen months ago, Extreme Pizza was using an old DOS system. Now, we're essentially automated from the front counter to the corporate office. It's night and day."

## About Phoenix POS

Growing your business—and managing that growth—takes the right tools. From fine dining to pizza delivery, Phoenix Point-of-Sale is the all-in-one system you need to keep your business on the move. Cash control, easy order taking, integrated delivery features, full table-service capabilities, complete driver and server management, inventory, marketing, and more make Phoenix the right choice for your growing business. **Call 866-678-6781 or visit** www.fireflypos.com **to arrange your personalized, on-line demo today.**

## Additional Resources

- Extreme Pizza: www.extremepizza.com
- **Restaurant Management Consulting:** George Yudell, Consult GY, www.consultgy.com, george@consultgy.com, (415) 559-6420
- **On-line Ordering:** Brygid Technologies, www.brygid.com, 866-427-9443
- **Business Intelligence (Back-end Reporting/Data Integration)**: Ctuit Software, www.ctuit.com, 415-884-4888

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