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CRAIN'S

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SPECIAL REPORT:

SECOND STAGE

How to know which IT is it

Regardless of industry, every company needs information technology to run its business. A one-size-fits-all approach rarely suits the needs of companies that have very specific products or services they offer the world to set them apart from their competitors.

This month, we asked three companies how they went about selecting an IT system — what conditions their systems needed to meet, how they made sure they ended up with systems that met the conditions, and who they got to do the work.

We heard from Weber's Inn, the Ann Arbor mainstay restaurant and hotel, which has learned a few things about managing operations over the years. We also heard from a lighting company and a maker of employee assessment software.

"When you're deciding which items to pursue, each upgrade or each new technology is a big undertaking, so you have to know which ones are actually going to be crucial to your business to attract more customers and which ones are going to be a waste of your time. That's making a smart business decision for your company," said Weber's Inn Vice President Michael Weber.

It's also a pricey one. Salaries for IT talent vary widely, but Courtland Anderson, an attorney at Bodman PLC's Troy office who works on IT contracts, figures it will cost a company \$150,000-\$250,000 a year for a project manager and more than \$200,000 for someone to run a department.

"You can get a decent IT programmer for under \$100,000," Anderson said.

Hiring a vendor comes with similar costs, making it all the more important to avoid costly do-overs.

"IT vendors are in very high demand. They are expanding their functionality almost exponentially, and people are looking for those cost-savings more than ever," Anderson said. ■



LON HORWEDEL

Michael Weber, vice president of Weber's Inn in Ann Arbor

Weber's Inn rests easier with accommodating vendors

By **Rachelle Damico**
Special to Crain's Detroit Business

Weber's Inn has had its share of technology issues in its 78-year history.

In the early 1980s, the Ann Arbor-based restaurant and hotel found a vendor that sold an optical scanning system. The technology scanned restaurant orders from a special sheet of paper by recognizing the presence of a pencil mark made by employees, not too different from the Scanticon system many colleges use to score tests.

But Weber's had issues processing orders. If there was even a spot of grease on the paper, the scanning technology would not be able to read the order requests.

"That technology was not the wave of the future," said Michael Weber, vice presi-

"As an entrepreneur, you have to pay attention to different technology trends and how people want to spend their money."

Michael Weber, vice president, Weber's Inn

dent of Weber's Inn. "It ended up flopping. It was a disaster."

The inn, with 222 employees, has been operating since before digital computers were invented. It originally tracked purchases and inventory by hand.

"As an entrepreneur, you have to pay attention to different technology trends and how people want to spend their money," Weber said. "It will put your business ahead of others."

This year, Weber's made major software

upgrades to its point-of-sale, accounting and frequent diners program. The project cost more than \$100,000.

"Whenever you're dealing with new technology, you want to try to see into the future and go with what will still be relevant in 10 years," said Weber.

Weber's also had a July 15 deadline to upgrade its Windows Server 2003 operating system because that's when Microsoft would stop supporting it.

The point-of-sale and accounting soft-

ware also had to be upgraded to be compatible with Weber's new server. The point-of-sale upgrade cost \$75,000 to replace and install equipment and make software upgrades that included technology that makes it easier to change menu items and monitor guest requests.

For this project, Weber went with the same company, Micros, it has used since 1982. Weber purchased an electronic cash register from the Maryland-based company shortly after the optical scanning technology system failed.

"At the time, Micros was a small company and hungry to do business with us," said Weber. "We chose to stay with Micros because we have a history."

Micros also rebuilt Weber's database so

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it would work with the new software. Weber's General Manager John Staples had created the original database more than 20 years ago and was not eager to rebuild it from scratch.

Staples works with Michael Weber on negotiating vendor contracts and overseeing Weber's computer system.

Staples said Weber's has not changed point-of-sale vendors because the software has to be integrated into Weber's system to work with the company's other software.

"I've gone through enough conversions at Weber's to see that if you change how that is done, it often brings along a lot of mistakes," Staples said. "There's a cost factor there that isn't just the product, but what it's going to cost to make the conversion?"

Staples also said that when negotiating contracts with a longtime vendor, they sometimes compare prices for other companies' software.

"They know that we're loyal to them and we expect loyalty—especially price-wise, in return," said Staples.

When it came time to upgrade the accounting software and customer loyalty programs, Staples and Weber asked its point-of-sale and property-management vendors for recommendations.

"We needed companies that would work with the other vendors that we have," said Weber.

The vendors came back with a list, which Weber researched by searching for reviews online.

"It's amazing what you could find when you research companies on your own that way," said Weber.

Weber organized a meeting with the accounting vendor, London-based **SunAccounts**. He liked that



LON HORWEDEL

Michael Weber is vice president of **Weber's Inn**, which has made major software upgrades this year at a cost of more than \$100,000.

the company was willing to customize its software to work with Weber's system. It also would train Weber's accounting department on how to use it.

"The upgrade is the easy part. The difficult part is training," Weber said.

Weber's also needed to find a vendor to create an app for its customer loyalty program members. This allows Weber's customers to view their loyalty account online and access electronic coupons from their smartphones.

After tapping Weber's vendor network, Weber met with the CEO of **AppSuite** to discuss how its loyalty software would work with Weber's programming.

It got the job in part because the CEO took the time to arrange meetings and discuss in detail how they would work with Weber's software.

"We liked that they were a small company that was willing to customize what their normal (software) offerings were to fit our mold," said Weber. "Some of the bigger players had a one-size-fits-all approach."

To meet Weber's July 15 deadline, Weber and Staples held monthly meetings with all of the vendors to answer questions, discuss how the system setup and status of the upgrade process.

"Making sure everybody's on the same page before it's going live is really important," said Weber.

Weber said that when it comes to technology, it's not unusual to need extra time to work out some kinks. Even though Weber and Staples held the monthly meetings, the updates still ended up coming down to the last minute.

"Everything always takes longer than you think it will," said Weber. "We gave them the extra time to end up with a better product when we went live."

Weber said the process went smoother because all of the vendors worked together.

"It's important to find companies who are willing to work with you and understand your company and what you're trying to accomplish," said Weber. "It allows more time to focus on the business and your customers." ■