

Linux: Well Done, Flexibility on the Side

How Linux is helping Logan's Roadhouse transform the restaurant industry



BY GARY J. EVANS

Implementing Linux* solutions in a restaurant environment isn't as obvious a pairing as, say, combining provolone with French onion soup—at least not yet. But the truth is, the value that Linux provides for companies of all types—banks, software firms, manufacturers—applies as much to the food and hospitality sector as anywhere else, even if it's only now beginning to be realized.

Apprehension about new technology isn't exactly new to this space, I should know, I worked at a restaurant a little over a decade ago. I remember how my manager reacted when they brought in the first computer terminal (not cutting edge even by early '90s standards), which replaced the pen/paper ticketing system we'd used up until then to communicate orders with the cooks.

"Gary, my boy," he said. "Mark my words. This isn't going to fly. Computers in restaurants just aren't necessary."

Now fast forward to the comfy interior of a modern restaurant. The place is Logan's Roadhouse, a chain of

more than 100 stores servicing 18 states, primarily in the South and Southeast. Headquartered in Nashville, Tenn., Logan's Roadhouse is a wholly owned subsidiary of the publicly held CBRL Group, Inc. Though the restaurant theme is modeled after 1930s and 1940s roadhouses, the business needs of Logan's Roadhouse are very much like those of any post-millennial corporation.

This is a restaurant that long ago realized the value that technology brings to a restaurant environment. And Scott Dever, vice president of Information Systems at Logan's Roadhouse, continually looks for ways to increase that value. "When we began considering Linux, we wanted to get out of the closed, proprietary systems we'd been using, particularly in regard to our point of sale (POS) terminals, and we wanted to keep our costs as low as possible," Dever says. "We also put a premium on flexibility, stability and security."

I'll Have the Penguin, Please

"There were several things we needed to accomplish," explains Dever. "Outside of basic POS setup, we had no flexibility with our existing systems. And while our terminals were touch screen, they were non-graphical, and



PHOTOGRAPH BY JOHN MOWERS

Scott Dever, vice president of Information Systems at Logan's Roadhouse, discusses the value that Linux brings to the table.

not as easy to use as we wanted. We needed something new.”

The flexibility of Linux held obvious appeal. “The shift away from proprietary systems has already paid us some nice dividends,” says Dever. “We’ve added tweaks to our software, which have added a lot of value to the system overall.”

For starters, Logan’s Roadhouse was able to create an ID-checking program to help ensure those ordering alcoholic drinks were at least 21 years old, and more was to come.

“Another issue that we deal with a lot is beverage orders, including non-alcoholic orders,” Dever says. “Servers are responsible for efficiently and accurately managing complex beverage service. The majority of drinks served are non-alcoholic, and in the process of getting the alcoholic beverages made, these other beverages are an easy thing to forget to ring up. We’ve developed an application that prompts the server for the number of active seats at a given table, and then makes sure a corresponding number of drink orders have been placed, even if just for water. This is a great example of the flexibility we were looking for: We were able to identify a source of revenue loss, and we were able to tap into the open architecture of our software to create custom applications to deal with it.”

What’s more, Logan’s was able to create these applications with internal staff. As Dever explains, “We can build the things we want ourselves—it’s just Java*.”

Value Menu

Dever also points out the cost savings involved in the move. “There’s certainly a lower cost of ownership to implement a solution in Linux, as opposed to proprietary operating systems (OSs),” he says. “In a given restaurant, we average about eight POS terminals. Currently, we have 180 of our new terminals in place, and by the end of this fiscal year [July 2005], we’ll have about 425 in use. We figure we’re saving \$1,600 to \$2,000 per store right there, just in OS licenses.”



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And it doesn’t stop there. Dever comments on the savings received through an IBM* “self maintainer” program, which allowed the company to extend the warranty of its IBM @server xSeries* servers and other hardware by taking its support system in-house.

“Our technicians took a test and became certified to work on the IBM POS terminals,” says Dever. “All we need to do is maintain a small inventory of parts, and if something goes wrong, we have what we need on hand to fix it. Because the system is component based, we don’t have to have an extensive knowledge of the inner workings of the IBM terminals.”

Open 24 Hours a Day

Like most businesses, restaurants are acutely aware of the revenue that’s lost when systems go down; reliability is a huge issue.

“I’ve got to tell you,” says Dever.

“Availability simply hasn’t been an issue. The overall combination of the IBM hardware and the Linux OS has added a new level of stability. And I think the OS could be the most stable part of our system.”

And support hasn’t been a problem, on the occasions it’s been necessary. As Dever explains, “Logan’s is moving to in-house support as we continue to roll-out the new system. All we’ve needed is a Java developer for custom apps, and a basic knowledge of Linux and how to set up network protocols and IP addresses. Easy stuff. And we don’t have to update Linux nearly as often as other operating systems,” says Dever.

Dever also points out the value that Squirrel, the software that runs on the POS terminals, brings to the table. “The fact is,” he says, “that Squirrel is what enables us to enjoy the benefits of a Linux environment. They make a Windows* version of their software, but they are one of the few who make a

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—Mike Todd, vice president, Sales, Retail Solutions, Keylink Systems Group, Agilysys

Linux version as well. We’ve been using their software for a long time, and we’re very happy with it.”

All Part of the Team

To Mike Todd, vice president of Sales, Retail Solutions, Keylink Systems Group, Agilysys, (an IBM business partner instrumental in helping Logan’s shift towards Linux), utilizing Linux in the restaurant industry just makes sense. “It’s not a revolutionary idea. People have been talking on and on about how a Linux-based system fits this space. But not many have implemented yet,” he says.

As he goes on to explain, “Restaurants have a lot in common with other businesses, and that’s why they can take advantage of Linux solutions just like other companies do. In essence, they have to be able to turn over customers, keep their inventory balanced, and make sure they’re managing their labor and associated cost.”

He continues, “The operating environment with Linux provided Logan’s with a very simple solution that was easy to manage, easy to upgrade, low in cost and very efficient in terms of speed. This is exactly what Logan’s was looking for. Beyond this, of course, the advantages of the low licensing cost, not to mention the flexibility of using an open system, are also huge benefits.”

Agilysys, one of three distributors in North America for IBM stores and part of the Business Partner Value Network for Linux, has a lot of experience in this space. Says Todd, “We worked very closely with IBM, and also with a Nashville company called Cash Register Systems—or CRS, as they’re more commonly called—to craft a custom solution for Logan’s. As part of this Value Network, we were able to work with best-

of-breed partners—including the company that Logan’s has a longstanding, comfortable relationship with, CRS—and provide a solution that works on every level.”

The concept of the Value Network (or simply “ValueNet”) is important. It allows IBM and its business partners to work together on behalf of a customer. As Rich Farber, IBM business partner for Linux systems, was quoted as saying in a recent *Linux Executive Report* article, “A value network is a multi-partner solution provided to an end customer” (“Partners in Linux: IBM Business Partner Value Networks for Linux delivers near turn-key business solutions,” Aug. 8, 2004).

In other words, ValueNet can be thought of as a team of business partners working together, playing off of each other’s strengths. If one business partner doesn’t have the ability to handle all of a customer’s business needs, they can tap the network for another partner to provide whatever element is missing without losing a step.

In the case of Logan’s Roadhouse, this becomes significant. Jim Culp, CEO of CRS relates, “We’ve had a relationship with Logan’s for a long time. We know and trust each other, and CRS has developed an intimate knowledge of the needs at Logan’s.”

For a variety of reasons, it made sense for Logan’s to move to open hardware, in this case IBM SurePOS 500 POS terminals on the front end, and xSeries servers in the back. But they’re still using Squirrel software, which can run on Windows or Linux. “Between us, we were able to handle creating and implementing the systems that Logan’s Roadhouse is using today,” Culp says.

Coming Right Up

Logan’s Roadhouse, Inc. is currently in the middle of the rollout process. On

top of the POS terminals, each site requires an IBM ThinkCentre* workstation and also an IBM xSeries 235 server for redundancy and expansion purposes. These machines, with mainframe-inspired technologies, smart-management tools and unparalleled reliability in an Intel* platform, are helping to lower costs while increasing speed. Additionally, to better facilitate asset management, Logan’s utilizes IBM Director—software that operates over the company wide area network (WAN)—to manage the hardware installed at each site.

“Right now we have 22 restaurants running these systems,” says Dever. “By July we’ll have about 55 restaurants up and running, out of about 122. That equals about 425 machines just in terms of POS terminals. We began this process last August, so we’re making excellent time.”

Of course, there was some trepidation before the rollout, but fears have proven to be unfounded. “All I can say is that I’m really very happy with how things have worked out,” notes Dever. “On every level, this has been a success. Our only real fear going in was from a support angle, and as I’ve mentioned, this has been no issue at all.”

Linux may be new to the restaurant and hospitality space. But the value it’s providing in this sector is becoming apparent quickly. My old manager Chuck wasn’t ready for the future with the sleek (for the time) machines that were only the start of the computer revolution in restaurants.

The new generation of owners and managers is quick to see the benefit, take the leap, and reap the rewards. As Dever concludes, “Moving toward the Linux solution, not to mention partnering with IBM and the other business partners, has been a good move. It was the right decision.”

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