



## *The Analysis of Added Value (A)*

### Consulting for the Al Dente restaurant chain



Al Dente is a London-based small chain of four restaurants focused on fresh pasta dishes. The concept is based on quality of food and the mystique of its fresh pasta lab and kitchen. While housed in the basement of each restaurant, the pasta lab and kitchen are open to customers who want a tour to understand what makes fresh pasta so good. The concept has been very successful since its inception, seemingly hitting the target with a sophisticated clientele willing to pay a premium for authentic Italian fresh pasta. Located in densely populated, affluent, residential London neighborhoods, each Al Dente restaurant offers dine in options, with a very popular wine bar concept, but does a lot of take-out business. While it has yet to experiment with delivery, worried about the quality of the dishes when they get to destination, Al Dente's head chef was nonetheless experimenting with packaging to find the right solution ensuring the preservation of Al Dente's food quality upon delivery.

The restaurant chain is in need of upgrading its Kitchen Display System (KDS) from Oracle, which is at the end of its useful life. The KDS is the unsung heroes of back-of-the-house restaurant operations. The system delivers critical functionalities, such as meal coursing, delayed routing, and cook times, which ensure accurate order management. As orders are received from the Point of Sale (POS), the KDS routes them and displays them to the kitchen staff so as to ensure that all items are prepped and cooked for simultaneous delivery and optimal quality. The Al Dente KDS is at the end of its five-year



useful life. After five years Oracle stops guaranteeing support for legacy applications and requires customers to upgrade hardware and software to the current version. While some restaurants take the risk of running obsolete, unsupported software to save money, Al Dente is a dynamic growing chain focused on quality food and service and has already decided to upgrade to Oracle MICROS Express Station 400 and sign a new five-year agreement. The Al Dente set up for each restaurant is a dedicated Windows machine based on commodity hardware, with two overhead 24-inch anti-glare displays with an integrated soundbar, sealed against humidity, grease, and other airborne contaminants (**Error! Reference source not found.**). The hardware/software bundle costs Al Dente \$1,000 per restaurant and requires signing the

Enterprise License totaling \$200 a year per restaurant.

WizTech, a California-based high-tech firm specializing in cloud solutions, has recently contacted Al Dente's general manager. This contact is very timely, given the imminent upgrade to Oracle MICROS Express Station 400. WizTech is beginning to commercialize a cloud native KDS solution that delivers the exact same functionalities as the leading KDS. It also uses the same third party hardware displays. However, being cloud native, it does not require any other hardware, including the dedicated Windows machine.

Moreover, to ensure a degree of business continuity, WizTech offers, free of charge, a "work offline service" that enables temporary operations in case of unavailable Internet access; this service is secure and managed seamlessly by WizTech until the connection is back in operation. Thus, the WizTech solution is a *perfect substitute* for the Oracle KDS. WizTech's premium solution has a subscription price of \$500 per year for all four restaurants. The hardware, setup and installation for all four Al Dente restaurants costs WizTech \$1,500 to produce and install.



Figure 1: The Oracle MICROS Express Station 400

## Discussion Questions

1. What should the Al Dente's general manager do?
2. Does WizTech enjoy a competitive advantage (or disadvantage) in this market?
3. Can you quantify such advantage (or disadvantage)?