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A White Paper for the Increased Effectiveness of Restaurant Take-out Operations through the use of Online Ordering via the Internet

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Abstract

This document proposes an innovative method to increase the effectiveness of restaurant take-out operations through the use of online ordering via the Internet.

It is clear that the Internet is now a mainstream utility, which is used by persons of virtually any age, young and old alike. Research has demonstrated that Internet usage transcends gender, age, ethnic background, and geography. The Internet is available in countless households and almost universally in the workplace. The rate of growth of Internet use in the United States is currently two million new users per month. At present, more than half the nation has Internet access at home and/or work.

Restaurant take-out revenue, as a percentage of sales, has risen tremendously. Many restaurateurs are focusing on expanding take-out, while making take-out operations more efficient and organized. It is a rational evolution to unite the popularity of the Internet with take-out functionality. The benefits of utilizing the Internet are numerous and extremely advantageous. Widespread Internet usage among the nation's populous makes the Internet a logical choice in maximizing efficiency and organization in the take-out area, thus ultimately increasing revenue.

This proposal is an in-depth discourse of how online ordering will enhance profits, and can be seamlessly implemented into a restaurant's take-out operation. This document will discuss in detail the benefits of adopting online ordering, as well as how such a system may be quickly deployed within normal restaurant operations at minimum cost.

Statistical Sources: National Telecommunications & Information Administration (U.S. Department of Commerce)
National Restaurant Association

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Executive Summary

Online ordering provides a restaurant's customers the ability to place take-out orders via the Internet. Online ordering is attractive because it eliminates the use of the telephone to facilitate the order. The customer may order from their home or office at a time that is convenient, even if the restaurant is closed at the time the order is submitted. The order is transmitted to the restaurant by facsimile (fax), in-house POS, or by the DelphiMax INET system. Orders are clear, accurate and precise. With facsimile or POS, no additional hardware or software is required for operation.

Many studies have clearly demonstrated that Internet usage is on the rise. This usage is a dramatic and rapid increase, and not merely a spike or straight-line climb. Today, experts agree that the Internet has rapidly become a staple of life, like the microwave and VCR in the 20th century.

The restaurant industry is becoming more crowded and customers are demanding added services. Many restaurants are responding to customers by adding the convenience of online ordering. Online ordering is one vehicle that has proven itself in customer approval and satisfaction. Both customer and restaurant alike share the benefits of online ordering. Customers can order without lengthy phone ringing, long hold times, or busy signals, thus eliminating frustration. Customers can leisurely review the menu in greater detail when ordering. In addition, the accuracy of the order will be assured. The restaurant also benefits by amassing high-quality marketing data; the ability to send targeted advertising messages to online customers at no cost; a reduction in staff to answer phones and take orders; the elimination of incorrect orders and subsequent loss of the order; increased customer loyalty and return business; and a remarkable elevation in customer satisfaction.

The percentage of overall sales driven by the take-out channel is growing rapidly. As more customers elect to call-in an order, restaurant staff and corresponding procedures bare increased burdens and challenges. The ability to facilitate online ordering greatly improves the efficiency of the overall take-out paradigm. According to the National Restaurant Association, take-out is one of the hottest areas of restaurant growth. An association survey found that at least half of all 18-44 year-olds would use a drive-through/take-out service if it was available at their favorite table-service restaurant. The same survey showed that half of this same age group was interested in home delivery, and/or a separate area in the restaurant to pick-up their take-out order. Many large national chains, smaller regional operations, and even single location restaurants are

rapidly adopting this trend and are offering curbside delivery for take-out orders. As a result, many are recognizing that online ordering will increase productivity of the take-out process and maximize take-out profits.

Benefits of Online Ordering

The benefits in implementing online ordering are varied and extensive. A well devised online ordering system directly affects two major business categories with a positive impact; operations and advertising/marketing. For instance, when a customer initially orders online, a complete profile is created that includes critical demographic data. The profile includes valuable information such as email address, items ordered, ordering tendencies, order dates, etc. Such a system would have the ability to analyze the data collected, send targeted emails, create loyalty programs, evaluate top/preferred customers, and relieve staff of tedious and unreliable phone duties. Each subsequent time a customer orders, their profile is updated.

Operational Benefits

1. Increases Customer Satisfaction. Customers may order online without the need to call the restaurant, thereby eliminating busy signals, long hold times, and noisy environments. Customers in turn become more loyal as a bond is built between the patron and restaurateur. Customers may place orders hours or days in advance creating a convenient means for patrons to transmit their food requests. Orders are always accurate, as opposed to telephonic transcription of the information. Also, the hearing impaired greatly benefit by online ordering. Pharmaceutical representatives, as well as other business professionals, find online ordering an easy and handy alternative to phoning the restaurant with complex and lengthy food requests. Overall customer satisfaction is dramatically increased.
2. Reduces Staff Loading. Online ordering fosters an efficient environment that reduces the amount of time that staff otherwise need to answer calls for telephonic orders. Reducing the amount of phone time necessary for orders also frees lines for more important or additional tasks. Staff can utilize their time more efficiently for other essential duties. Ultimately, online ordering can reduce staff time and decrease costs.
3. Eliminates Mistakes. Orders placed online virtually eliminate mistakes associated with taking an order telephonically. Online customers are afforded a clear, concise, and easy way to select food items, along with the choices for each item and any special instructions. There are no miscommunications whatsoever. The total elimination of mistakes increases customer satisfaction and, in addition, saves money by excluding the need to remake orders.

4. Increases Revenue. A direct and measurable increase in restaurant revenue will be evident with a solid online ordering program. Research and experience clearly demonstrate that customers will order online if the ability were available. The same research shows customers will order more often and the average ticket amount increases with online ordering. Of course, financial gain is also realized through improved order reliability and accurate, efficient throughput of orders.
5. Seamless Integration. A properly designed and implemented online ordering system will seamlessly integrate into the current operational parameters of the restaurant, without the need for any additional equipment, hardware or software, costly staff training, or business interruption. A simple facsimile (for the reception of orders) or your current POS is all that is needed. Seamless deployment of online ordering will not disrupt or negatively impact restaurant operations.

Return on Investment

Consider the following return on investment (based on only 10 online orders/day), which clearly demonstrates the tremendous value of online ordering.

Typical cost of service:

Approximately \$1.00 to \$2.00 per day

Profits/Savings/Benefits:

1. If it takes 3 minutes to take a phone order, even at minimum wage, with Workman's Comp, FICA, and other expenses, 30 personnel minutes are eliminated saving over \$4.00 per day.
2. The average amount a customer spends online is 13% higher than by telephone, because the customer is prompted for add-ons and other incentives.
3. Online ordering totally eliminates the need to remake orders. The online order is always accurate. No matter who is at fault, a percentage of telephone orders will be incorrect. Online ordering assures order accuracy every time.
4. Customers, because of the convenience, order online an average of 11% more often than by telephone.
5. No orders are lost because the customer cannot get through by phone due to busy signals, or is frustrated by long hold times, or noisy environments. In short, you receive more orders.
6. You save money on advertising because you can send instantaneous messages to your customer base at no charge. The messages are targeted and not a simple 'shotgun' approach such as print, TV or radio. You can promote specials or promotions absolutely free.

There are certain intangibles that are hard to quantify, but are extremely important, such as:

7. Customer satisfaction increases

8. Customer convenience is elevated
9. Enhanced restaurant image
10. The restaurant saves time
11. The customer saves time
12. Industry advantages are maintained

Advertising/Marketing Benefits

1. Collect and Analyze Customer Data. One significant benefit of online ordering is the collection of specific customer data. This collection of data is an important byproduct of the order process. Generally, POS systems are unable to record customer demographic information such as name, address, phone number, email address, items ordered, order dates, amount ordered, order history, and the like. It is critical to recognize that customers who order online form a direct representation of the restaurant's overall customer base. Consequently, qualified advertising and marketing judgments may be made from the analysis of this data. For instance, zip code analysis would paint an accurate picture of customer concentrations in the geographic area for which the restaurant operates. In addition, important information such as amount per customer, amount per zip code, orders per zip code, average ticket amount, and other data can be easily derived. These metrics serve as important criteria for better penetrating the customer channel. In addition, birth date and wedding anniversary information can be collected, which may be used appropriately to entice customers to reorder upon the occurrence of their special day.
2. Augment Advertising with Targeted Email. Advertising and marketing is an expensive endeavor and represents a significant percentage of operating expense. The online ordering system collects email information as orders are placed in the normal course of business. With the simple click of the mouse, a restaurateur can send targeted email to its customer base. A targeted email list can be created based on time, such as customers who have not order within a specified period, or in contrast, those who have ordered within a certain period. Also, email may be sent to those who have ordered a certain dollar amount within a specific period of time, whose birth date and/or wedding anniversary fall within a specific time period, or zip code. Such email can be issued to urge the patron to physically visit the restaurant by including an incentive (coupons, discounts, etc). It is vital to note that the issuance of email is free and virtually instantaneous, incurring no ongoing cost burden to the marketing budget.

3. Create Loyalty Programs. Loyalty programs, and other such incentives, are very much welcomed by the patrons of any business. Restaurant customers in particular are more appreciative when rewarded for their patronage. Online ordering provides an effective way to reward those who meet order criteria set by the establishment. These types of programs have been proven time-and-time again to ultimately increase the frequency and order rate of the customer. AROS has built-in capabilities to facilitate a variety of loyalty programs.
4. Direct Customer Feedback. Customer feedback is an important factor in adjusting, correcting, or validating methods and procedures in restaurant operations. Online ordering provides an instant, uninhibited means for customers to provide direct feedback for management. Of course, positive feedback by patrons can reinforce current practices. Research and experience has shown that customers provide more feedback when ordering online. Customer feedback should not be underestimated or ignored. Online ordering will provide that instantaneous information pipeline to the company's key decision makers.
5. Enhances Image. Any edge on competition gives the restaurateur a valuable advantage. Restaurants today are beginning to realize that to keep a competitive edge, a proactive Internet web presence is a must. The majority of restaurateurs have not made this transition, but will. The operational, advertising, and marketing benefits are becoming intuitively obvious, including intangible benefits such as corporate image, which projects a positive picture to patrons and others in the business community.

In-House Solution vs. Outsourcing

Despite the numerous advantages of a well-engineered online ordering system, its engineering and implementation can be costly and time-intensive. Such a project normally requires a minimum of 9 months, and possibly as long as 18 months before the system is ready to be fully deployed. This is a legitimate timeline considering the need to debug software and hardware systems, instigate quality control (QC) and monitor quality assurance (QA) during the project and its initial implementation.

Below are estimated costs and manpower projections for engineering a typical online ordering system in-house. These projections may be somewhat less if a chain consists of a lower number of restaurants; conversely, estimates may be higher if there are many stores in the chain. A chain could be as few as 10 restaurants to 1,500 stores or more as with some larger companies. Although, these costs are general in nature, intelligent approximations may be derived from the figures based upon the size of a particular chain.

Importantly, any system developed must meet the stringent CISP/PCI requirements of the bank card issuers (Visa, MasterCard, American Express and Discover). Auditing and certification may run into tens of thousands of dollars, and the certification process is a quarterly requirement. Systems not meeting certification subject a merchant account to fines up to \$500,000 and the permanent loss of ability to accept credit cards. This is a real issue and fines have been levied and merchant account closed.

Development/Non-Reoccurring Costs and Manpower (9-18 Months)

Project Manager	1 Person
Development Engineers	1 – 2 Persons
Technical Assistant	1 Person
Computers/Equipment	\$25,000 - \$50,000
CISP/PCI Certification	up to \$70,000
Menu Data Entry	2 Hours per Store
Trainer (To Train Staff)	100 Hours
Misc. (Printing, travel, etc.)	Based on Chain Size

Yearly Recurring Costs and Manpower (After Implementation)

Based on 10 orders/day per restaurant

Project Manager	1 Person
Development Engineers	1- 2 Persons
Technical Assistant	1 Person
Support Staff	1 – 2 Persons
Order Progression Monitors	2 Persons per 200 Stores (11am -11pm)
Quarterly CISP/PCI Inspection & Certification	up to \$85,000
Additional Equipment/Repairs/Parts	\$1,500 - \$5,000
Computer Facilities	\$24,000
Telephone Lines (Fax Transmissions)	1 Line per 15 Stores (if fax is used)
Telephone Fees (Fax Calls Completed)	\$127.75 per Store (\$0.035 per facsimile)
Menu Changes/Modifications	120 Hours
Trainer (To Train Staff)	50 Hours
Misc. (Printing, travel, etc.)	Based on Chain Size

As these figures unmistakably illustrate, undertaking the task of developing an online ordering system in-house is very costly. There are many other costs and hidden fees not addressed herein, which would be brought to light by a more in-depth analysis of the project. Outsourcing this project would save time (e.g., implementation in just a few weeks instead of 12 or more months), and money (e.g., removing many start-up and other costs associated with a job of this scope). In an outsourced solution, a provider would host and manage the entire online ordering project. Outsourcing alleviates the need for the chain to acquire new hardware or software; employ engineers; engage training and support staff; take-on project management; or bear other costly and time-intensive burdens.

The AROS Online Ordering System

The Advanced Restaurant Operating System (AROS) Online Ordering and Marketing Software is an unparalleled, cutting-edge product offering by Delphis Software. The system is completely hosted and managed by Delphis Software, thereby relieving your company from all management and support responsibilities. Further, the features, functionality, capacity and economical cost of AROS are equivalently gainful. AROS has proven its ability as a superior online ordering system and an excellent tool for advertising and marketing. AROS is complemented by a high-quality support team of dedicated technical professionals. AROS allows customers to place orders from your menu via the Internet, with orders immediately transmitted to the restaurant by facsimile or POS. AROS is simple and quick to implement and requires no special hardware, software, or technical knowledge. It is also positioned at a price-point far lower than less-provisional systems developed in-house. **Furthermore, Delphis Software is the only company that protects all stored data in encrypted format, which ensures that your valuable customer data is safe and secure. Delphis is CISP/PCI Certified and Compliant per the requirements of the bank card issuers (Visa, MasterCard, Amex, and Discover).**

Operation is simple. Customers navigate to your Internet website (or one that we provide for you) to review your menu. Customers can review the menu from their home, workplace, or anywhere, and at any time. The customer selects items to order from your menu and enters their name, address, and other demographic information. Once the order is complete, it is automatically and instantly sent by fax or select POS systems to you. Delphis' technical support staff monitors in real-time the transmission of the order. Our staff would contact you within 5 minutes, or when you first open, if the order transmission fails for any reason.

AROS is feature-rich and was specifically engineered to be simple, yet powerful and effective. Many subtle design features were incorporated for maximum browser compatibility. **It is critical and of paramount importance to note that AROS does not use Client-side/active scripting, cookies, or frames in any HTML output.** The AROS customer Graphical User Interface (GUI) is compliant with over 99% of browsers in use today. No other system can demonstrate this level of browser and cross-platform compatibility. A GUI that can be displayed on only 60% of available browsers due to users restricting scripting or cookies means a loss of 40% of customers willing to order online. Delphis Software understands the need for full compatibility and has invested vast efforts to eliminate flawed HTML requirements such as client-side scripting and active scripting

technologies, cookies, and frames that will alienate a considerable portion of your online user base.

Customer GUI

1. No Client-Side/Active Scripting: Client-side scripting and active scripting consists of technologies such as Java, Javascript, ActiveX, VBScript, and other programs that run locally on the Internet user's computer. These types of technologies pose a serious security threat to the user. Many Internet users disable scripting ability in their browsers. Disabling these features creates a loss of restaurant customers when using software from vendors who typically rely on such scripting methods. Recently, Internet Explorer from Microsoft, which represents about 95% of all browsers, as well as other software from other vendors that utilize the Internet Explorer core, have revealed severe vulnerabilities in their products with regard to client-side and active scripting. In addition, "spyware" has become an insidious and constantly increasing threat. Client-side and active scripting is one method utilized by spyware to infect a computer system. It is unclear when Microsoft will patch any of these vulnerabilities, or if such problems will be resolved in future releases. For these reasons, Delphis Software has chosen to invest the time and effort to exclude these potentially dangerous methods in its software, thereby assuring all users who turn-off scripting ability in their browsers will still be able to safely and fully use the AROS system. The absence of client-side and active scripting further ensures that AROS maintains full browser compatibility and addresses user's security concerns.
2. No Cookies. Cookies are a method employed by Internet software designers to place certain information onto the user's computer when a website is visited. These cookies may consist of anything from a few small pieces of information to more substantial amounts of data. They are to be read at a later time by the website that initially created the cookie. Many privacy advocates, as well as a broad spectrum of Internet users, view the use of cookies as an invasion of privacy due to their ability to track one's Internet visitation habits. Due to this privacy concern, some Internet users have disabled the ability to accept and store cookies on their computers. Unfortunately, some vendor's systems must use cookies for proper operation upon the Internet. Users who disallow cookies will assure failure of those systems. Advantageously, AROS does not use cookies and does not rely upon them as a means to operate. AROS engineers have developed advanced methods and procedures that do not require the use of this intrusive technique.

3. No Frames. Again, AROS leads the industry in addressing the needs and concerns of Internet users. HTML frames are spatially defined regions or areas in an HTML page. Each frame in a page holds an individual HTML document. Frames are made up of two major components, a frameset and individual frames. The use of frames can cause some computers with certain screen formats or resolutions, and some older browser versions, to display unintended results. Also, the W3C (World Wide Web Consortium) intends to, and indeed has, begun the process of removing support of frames within browsers. For example, the W3C's current browser standard, XHTML 1.1 Strict, has removed many of frames' older attributes. The W3C is the recognized authoritative body that regulates HTML standards and reformation upon the Internet. All browser manufacturers adopt the standards of the W3C.
4. Intuitive and Simple User Interface. AROS features a customer GUI that is simple and intuitive. It is critical that customers can easily navigate and place orders very efficiently. AROS' GUI can be matched to the aesthetics and color scheme of your current web presence. The GUI was carefully engineered to be nearly 100% browser compatible and cross-platform compliant.
5. SSL (Secure Sockets Layer) 128-bit Encryption. A vital feature of AROS is its ability to protect private and sensitive customer data during the order process. AROS employs SSL in all operations that involve the transmission of sensitive data such as address information, passwords, credit card numbers, and the like. Without the security and protection of SSL technologies, customer information may easily be intercepted, deciphered, and compromised. Security and safe Internet transmissions concern all users. Security is a major focus of Delphis Software.
6. Credit Card Number Validation. AROS has an intrinsic algorithm that checks and validates that a credit-card number has been correctly entered by the customer. On a daily basis, customers incorrectly enter credit card numbers. The use of AROS' verifier algorithm ensures that all credit card numbers are accurately entered by the patron.
7. Order Days Advance. Many customers, especially pharmaceutical representatives, enjoy the convenience of ordering several days in advance. Those patrons who have extremely busy schedules can use this convenience feature. The system accurately accepts and processes orders days in advance of a requested preparation date, and of course, the order may be placed at any time, day or night.
8. Food Images. AROS can be configured to display images of your food items. The display and review of photos of food items has been demonstrated to produce a positive psychological effect on the patron. AROS allows for easy upload and subsequent modification of images.

9. Previous Order Duplication. Returning patrons can easily duplicate a previous order placed online. This handy feature allows customers to quickly order if they desire to repeat an order.

Restaurant Menu

1. Separate Lunch and Dinner Pricing. Unlike most systems, AROS can automatically handle price differences at lunch and dinner for the same food item. This allows food items to be entered only once, saving time and making entry more efficient.
2. Automated Food Options and Choices. Food options, such as meat preparation or salad dressing choices, automatically display for selection by the customer. Also, additional food choices, and those items that represent an additional charge such as cheese on a hamburger or extra toppings on a pizza, display automatically as well. The patron may quickly decide how to order their item to taste, plus have a visual reference to add-ons, which adds revenue from the augmented price. . Food choices may be mandatory, which will force the patron to select an option, such as bread type for a sandwich, meat preparation for steaks, etc.
3. Special Instructions Section. Each food item has a text area so the customer may add any special instructions. Special instructions may also be added to the complete order once the order process is finished. These instructions assure that the patron receives the food exactly as desired.
4. Limited Availability. Food items may be defined that have limited availability. For example, clam chowder may be ordered on Fridays only if the restaurant prepares this item singularly on this day. The day availability may be any combination of the days of the week.
5. Food Prompts. AROS can be enabled to prompt the user for items or food categories that the patron had yet to order. For example, desserts, drinks, specials, etc., will be prompted to customers for their order consideration.

Order Notification

As previously mentioned, the progression of the customer's order is monitored in real-time by our customer support staff in our Order Management Center (OMC). The AROS system, at the option of management, can also send the order to a supplemental email address. This address could be a central repository for orders for quality assurance purposes, or for any number of other reasons (e.g., geographic data, demographic data,

and QA message flag). In addition, AROS can send a pager or email notification of an incoming order. The pager/email may be defined as an independent destination for each store.

Customer Data Collection

Upon the first order, the AROS system collects and stores specific customer demographic data such as full address, telephone number, order frequency, birth date, wedding anniversary, etc. After each order is successfully completed, additional information is amassed with regard to that order. Cumulatively, this data is extremely important and valuable in assessing marketing and advertising methods, as well as for creating new campaigns. This feature with AROS cannot be overstated in its significance. All data collected by the AROS system is the sole and exclusive property of the restaurant.

Data Encryption

Data encryption and protection is so important and crucial that a stand-alone white paper could be written solely on the subject. Each company should have a clear understanding of its policies and procedures of how data is managed, where it is stored, and if and when sensitive data is ever allowed outside the secure area of the data center. Furthermore, companies should also know the same policies and procedures of each of its vendors who also maintain company data upon their systems.

As most know, there have been many instances in the recent news of financial institutions, computer companies, and even the US Government losing sensitive and private data through unauthorized hacking of supposedly secure systems. Delphis Software is the only vendor that employs on-the-fly encryption of any and all data via dedicated on-board controller encryption devices prior to such data being written to storage mediums. This is a critical point; at no time is unencrypted data maintained on storage devices for even a moment. Our data centers are protected by superior physical means and cutting-edge advanced technology; however Delphis takes the extra step of protecting against the unthinkable. In the very unlikely event that our systems are breached by unauthorized persons, no data can be ever recovered. In addition, Delphis Software adheres to a strict policy of never allowing sensitive data outside the safe and secure environment of its ultra secure Network Operations Centers. We have no 'offsite'

backups nor do we ever have a need to remove data from our NOC's for any reason whatsoever.

Delphis Software is PCI Certified and meets or exceeds the Payment Card Industry (PCI) data security standards. These standards are required network security and business practice guidelines developed by Visa, MasterCard, American Express and Discover Card. The standards were developed to establish security with regards to the protection of customer data. Using any vendor that does not comply with the PCI security standard may result in substantial fines or your permanent expulsion from card acceptance programs. To maintain PCI Certification, extensive quarterly examinations of our systems are performed by authorized independent auditors. It is particularly important to determine if a vendor is CISP/PCI certified by the bank card companies. It is not sufficient that the vendor's gateway supplier is certified. The online ordering vendor itself must also be certified or you may face fines up to \$500,000 per incident and could permanently lose your merchant account. Check with the security department of your card merchant account for specific details.

Imagine the legal and public relations nightmare if your online ordering provider, or any other vendor, were to lose the personal and private records of your customer base. There are very real legal ramifications if a company does not understand or has not completed due diligence into a vendor's storage and handling of company data. Data encryption and proper data handling are an absolute requirement for any vendor of your company.

Delphis Software alleviates these nightmare scenarios by military-strength encryption and strict adherence to policies and procedures. We stand ready to discuss our methods, security policies, and data handling procedures with your IT staff, and to further explain the only in-line encryption process in the industry.

Active Order Monitoring

Delphis Software actively monitors the progression of each order sent to the restaurant. Our automated system attempts 3 order transmissions to the store. Orders transmissions may fail because of network problems, busy signals, noisy lines, etc. If the third attempt fails, a customer support person will immediately contact the restaurant, or when the store first opens, to verbally provide the restaurant with the order. This ensures that an order placed online is never missed.

Directions and Route Plotting

For restaurants that engage in delivery of their products, the AROS system automatically calculates directions from the store to the customer location, including estimated time of arrival and total distance. This information is added to the order transmission and eliminates the tedious need of your staff to investigate and plot such information.

Administration Interface

AROS has a trouble-free administrative interface. The interface may be accessed by any computer that has Internet capability. Access is protected by an advanced 128-bit SSL (Secure Sockets Layer) encrypted connection, which is transparent to any browser. The administrative user has full and secure control of system functions from any computer located anywhere in the world. The interface is intuitive and straightforward.

Support

Delphis Software maintains a 24-hour, 7 day per week technical and customer support staff. Our clients may contact us for any reason or at anytime to ask questions, request advice, or receive instruction.

DelphiMax Data Centers

AROS is hosted within our data centers. Delphis Software operates two DelphiMax data centers (San Luis Obispo, Ca. and San Jose, Ca.) that provide a superior level of high performance Internet bandwidth, and redundancy. Our DelphiMax centers completely avoid single points of failure, employ flexible bandwidth acquisition strategies, and access additional distribution channels. DelphiMax assures maximum up-time and reliability. We use the latest RAID technology, have a two-day generator/battery backup in case of power failure, full environmental controls, diverse multi-homed connectivity, and connectivity up to T-3 bandwidth. Network functionality is monitored 24/7. We are the only vendor that employs the Sockeye Networks GlobalRoute Intelligent Routing technology that quickly identifies bottlenecks, and within milliseconds, routes around them. Both centers are extremely secure and are protected by many physical

safeguards. Access to DelphiMax is highly restrictive and monitored 24 hours per day by a security staff.

No Additional Hardware/Software

AROS is simply the most advanced online ordering system available in the marketplace. Even though AROS is unmatched in power, absolutely no computer hardware or software is required to be installed by the restaurant since AROS is hosted completely within our DelphiMax data centers. The only piece of required equipment by the restaurant is a simple fax machine or your current POS. Access by restaurant management to the administrative functions of AROS is through any standard Internet connection, which can be made from any location. Since no hardware or software is needed for implementation, AROS can be deployed in your normal environment quickly and effortlessly.

Advertising and Marketing with AROS

Advertising can be defined as an attempt to influence the buying behavior of customers by providing a persuasive selling message about goods and services. Marketing can be defined, in part, as the process of planning and executing conception, pricing, promotion, and distribution of goods and services. Marketing is acutely concerned with the buying decisions that customers make, focused on how customers make such choices, and how goods and services may be designed, modified, or priced to satisfy customer need.

Advertising alone does not provide the critical information needed to make important tactical and strategic decisions about products and services offered. Marketing, on the other hand, provides invaluable information that will allow one to judge and quantify customer's feelings about products, services, and even how they perceive a company in general. It is the combination of advertising and marketing that aide in the success of any business.

AROS has the ability to both advertise your business, and provide quantitative marketing data that can be easily evaluated. AROS' customer profiles update with every order placed. The profile includes information such as email address, ordering tendencies, order dates, and much more. AROS' potent statistical

package can analyze this data to supply zip code analysis, order aging, and other valuable information. Further, you can use AROS to send targeted emails to your customer database with your unique advertising message. Advertising is sent immediately, and you can send your message as often as you wish. Best of all, there is no additional cost for you to reach your targeted customers.

Implementation Procedures

Definition of Objectives

Our primary objective is to facilitate a seamless integration of AROS into store operations without business interruption. Since AROS is an outsourced solution that is hosted within our DelphiMax data centers, flawless implementation can easily be achieved. At the outset, Delphis Software will confer with your staff and develop an internal plan to implement AROS. Our internal plan consists of four key phases: design, action, test, and approval. The plan is created and used by Delphis Software to maintain goals and quality standards for the installation process.

Assignment of Project Manager

Delphis Software will assign a project manager to oversee the entire implementation of AROS. The project manager will be the primary point of contact for all communications. We suggest that your corporation assign a counterpart project manager to help ensure an accurate and expedited flow of information between our groups.

Operational Analysis

Delphis Software's project manager will work directly with your corporation to determine the requirements of implementing the AROS Online Ordering and Marketing System into your operation. An operational analysis will be created, which will include issues related to your website, menu and pricing differentiation between locations, fax/POS capabilities, restaurant procedures, and other issues.

Installation and Testing

Installation is virtually trouble-free to your company. The burden of installation requirements falls squarely upon the shoulders of Delphis Software. Most of the functions associated with installation are engineering and technical issues internal to our servers and systems. At that point of successful integration, the project manager, our customer support group, and your representative will test the online ordering process. Once a series of tests have been successfully completed, AROS will be ready for live operation.

Training

A Delphis Software trainer will visit your corporation to train your designated key personnel. Those personnel can then train others within your company. AROS is easy and intuitive, making training trouble-free and quick. Delphis Software has developed a simple set of training materials that include manuals and online tutorials. Delphis Software has designed AROS to be user friendly. Restaurant managers quickly learn how to use the capabilities of AROS. If any restaurant manager or personnel has specific questions, they may call our support team at any time. Technical support is available 24/7, 365 days a year to answer your inquiries.

Post Installation Support

Delphis Software provides around-the-clock technical and customer support after installation has been completed. Any member of your staff may contact our support department with issues or general inquiries. Your company will be provided a Support ID Number, which is needed to connect to customer support after hours. Delphis Software is always available to offer technical and customer assistance.

Pricing

As demonstrated earlier, the costs of self-implementation an online ordering system are immense. The amount of effort and resources that must be allocated to a project of this scope are enormous. Initial engineering and setup costs, reoccurring costs throughout the life of the project, and other operational costs create a burden to the company. Furthermore, a complete and fully operational system can be as long as 18 months in completing the project. Such delays are due to R & D, system design, bug fixes, alpha testing, beta testing, operational stress testing, and initial QA. Conversely, outsourcing the implementation of Delphis Software's online ordering system produces a very cost-effective method of acquiring this technology. Implementation, operation, maintenance, and management of online ordering are provided in full to your company.

Delphis Software examines many factors in determining how a project will be priced. We view our relationship with our customers as that of technology partners. We do not approach our business with a streamlined vendor mentality. Upon review of your operations, Delphis Software will provide you with scalable pricing based upon your desired operative parameters, including special features or functions if technically feasible. We are confident that you will find our pricing to be quite cost effective. We are equally sure that you'll find our technology and personnel to be flagship in every way. We are responsive, energetic, and relationship-centric. Our customers quickly discover that Delphis Software provides service and support well beyond expectation.

Corporate Profile

Delphis Software, the world's most experienced online ordering services company, delivers superior return on investment to clients through its cost-effective, high-value service model. We feature a superior senior management team. These individuals collectively bring unique qualities of engineering, technology, and management into our corporation and customer base. Without question, each has a focus of developing turnkey systems and an unwavering dedication to customer service. All team members have individually proven their success in technology and business.

Company

Delphis Software is headquartered in Fresno, California and has a presence in Santa Clara, California; Chicago, Illinois; and New York, New York. Our DelphiMax network operations centers are located in San Luis Obispo, California and San Jose, California. Our DelphiMon OMC is located in Fresno, California.

Client News

Chick-fil-A of Atlanta, GA selected Delphis to make online ordering available to its more than 1300 locations. Panda Express (trial phase), Bruegger's Bagels, and the United States Naval Academy at Annapolis have also chosen Delphis Software to provide services. Luby's Inc., Houston, TX, requested Delphis to supply its 130 locations an advanced call center application, in which we partnered with PAR/iSIVA to implement a sophisticated solution. Delphis has recently completed the implementation of Tahoe Joe's Famous Steakhouse's online take-out functions. DiCicco's Italian Restaurant and Pizzeria has selected Delphis Software to automate both take-out and delivery operations. Tony Roma's and other chains have selected Delphis Software to implement online ordering pilot programs. We have strategic alliances with Knight-Ridder Publishing, Stellar Global, and Fishbowl Marketing, along with many additional companies.

Synopsis

It is clear that increasing a restaurant's take-out business will directly add revenue to the bottom line. Online ordering is one mechanism proven both by research and experience that can considerably affect take-out operations in a profitable fashion. The significance of providing a restaurant's customer base with online ordering capability is of importance in several ways. Customer loyalty and satisfaction increase, creating the positive effect of patrons ordering more frequently. Customers love the convenience online ordering provides, as well as expediency, satisfaction, and many other desirable attributes. All these aspects benefit the restaurant by improving their revenue stream and positioning in the restaurant industry. The industry recognizes this and is adopting a growing emphasis on take-out volume and efficiency.

Self-implementation of an online ordering system is virtually prohibitive, both in terms of cost and management of the project. In addition, the time required to engineer an in-house solution is equally prohibitive. Therefore, outsourcing is the preferred way to quickly add this valuable capability to your operation. By choosing Delphis Software as your technology partner, it is also the most cost effective. Delphis Software will implement online ordering into your take-out operations swiftly, seamlessly, and without causing undue overhead or expense.

The benefit of online ordering can be summarized by way of several important points. Store operations will benefit by increased customer satisfaction, reduction in staffing, elimination of transcription mistakes, increased revenue, and seamless integration. Advertising and marketing also profit from the collection and analysis of customer order data, augmentation of advertising through the use of targeted email, creation of loyalty programs, direct customer feedback, and enhanced corporate image. These benefits are significantly positive, and require restaurants to explore a means to implement and deploy online ordering immediately.

Delphis Software excels in providing products and services beyond industry standard and client expectation. Our pricing philosophy is simply one of providing superior technology and services at extremely affordable prices. Delphis Software succeeds in pricing its online ordering system very economically without sacrificing technology, service, or performance. We will evaluate your operation and provide pricing that is cost-effective for your organization.

Delphis Software is a technology-based company. Technology is our primary focus, however we realize customer service is an important and critical component of any company philosophy. Senior management consists of well-seasoned and knowledgeable professionals who are

successful in business and technology. Our management team is dedicated to maintaining aggressive R & D, excellent relations with our technology partners, and continued corporate stability. At every level within our organization, we entrust our employees with these same values. Your experience with any of our staff, from telephone receptionist to technical support, engineer to CEO, will be pleasant, courteous, and positive.

Delphis Software is uniquely qualified to be your technology partner. We can seamlessly implement and manage your online operations by utilizing advanced technology, superior data centers, and our knowledgeable staff. We look forward to and welcome the opportunity to work with your company.

Vendor Comparison

Any online food ordering vendor can build a great looking website and make wild claims about their 'superior' abilities and 'large' customer base (try a Google search of, "restaurant online ordering"). Many of these web-only vendors have no real business locations, employees, or meaningful clients. Some may operate from home with their servers housed in a garage. A simple request to *visit* their facilities will expose their operations as non-existent or tenuous one-person companies. In fact, only a few companies have a major impact on the online ordering industry; Delphis Software, Kudzu Interactive, QuikOrder, OrderTalk and Brygid Technologies. Webfood by CBORD also has a few installations.

Utilize the comprehensive feature list below to aid in your evaluation of any online food ordering company. Ask for responses in writing and to make them part of the signed service agreement. If you accept credit cards and have a credit card merchant account, it is particular critical to determine if a vendor is CISP/PCI certified by the bank card companies. It is not sufficient that the vendor's gateway supplier is certified. The online ordering vendor itself must also be certified or you may be heavily fined (up to \$500,000) and/or permanently lose your merchant account. Check with the security department of your card merchant account for specific details.

	<u>Delphis Software</u>	<u>Company 1</u>	<u>Company 2</u>
<i>Executive Profile</i>			
Business Locations	Fresno, CA (Corp.) Santa Clara, CA (Engineering) Chicago, IL (Sales) New York, NY (Sales) San Luis Obispo, CA (NOC) San Jose, CA (NOC)	_____	_____
Employees/Reps IC's/Agents	46	_____	_____
Installed Base of All Products/Services	15,000+ restaurants	_____	_____
Multiple, Geographically Diverse Data Centers For Redundancy and Safety	Yes	_____	_____
Full Time Dedicated R&D Staff	Yes	_____	_____
24x7x365 Tech/Customer Support as Standard	Yes	_____	_____
<i>Data/Systems Security</i>			
PCI Certified by Visa, Amex MasterCard and Discover	Yes	_____	_____
Customer Data Stored as Encrypted	Yes	_____	_____
SSL Security on All Webpages	Yes	_____	_____
Active Anti-Intrusion at All NOC's	Yes	_____	_____
SQL Injection Resistant	Yes	_____	_____

Potentially Browser Limiting Technology

Java, Javascript, and/or Other Client-Side Scripting	No	_____	_____
Utilizes Cookies	No	_____	_____
Employs HTML Frames	No	_____	_____

Online Ordering Technology

Multiple Menu and/or Pizza Pricing Display Modes	Yes	_____	_____
Advanced Zip Code/Store Finder	Yes	_____	_____
Intrinsic Multiple Food Formats	Yes	_____	_____
Food Exclusion by Day	Yes	_____	_____
Multiple Schedule Food Pricing	Yes	_____	_____
Time-Based Intelligent Menus	Yes	_____	_____
Time Based Category Display	Yes	_____	_____
Recall of Previous Orders	Yes	_____	_____
Automatic Closures for Holidays & Other Dates	Yes	_____	_____
Separate Delivery Carryout Pricing	Yes	_____	_____
Future Orders to Days in Advance/24 Hour Capability	Yes	_____	_____
Full Customer Demographics w/ Order History on Submission	Yes	_____	_____
Flexible Menu Options Pricing	Yes	_____	_____
Full Route/Directions Appended to Orders	Yes	_____	_____
Development Language for Advanced Custom Web Design	Yes	_____	_____
Proactive Suggestive Up-selling	Yes	_____	_____
Mandatory Food Options w/ Tiered Item Requirements	Yes	_____	_____
Calculates Net Online Ordering Profit	Yes	_____	_____
Tiered Remote System Management	Yes	_____	_____
Real-Time Notification of Order Submission	Yes	_____	_____
Automatic Location Mapping	Yes	_____	_____

Advertising and Marketing Ability

Statistical Analysis/Data Mining	Yes	_____	_____
Advanced Email Marketing	Yes	_____	_____
Birthday/Anniversary Reminder	Yes	_____	_____
Customer Order Aging	Yes	_____	_____
Customer Rewards Program	Yes	_____	_____

Delphis Software, in an effort to provide an overview of the entire online food ordering industry, will attempt to maintain an up to date list of all companies involved.

- bigholler
- brygid technologies
- coolorder
- ehungry
- emenusolutions
- ezwaiter
- foodjr
- HS2 Solutions
- imenu360
- jacent technologies
- kudzu interactive
- mealagent
- merosys
- netwaiter
- nextchoice
- nextep systems
- onosys
- ordertalk
- patronpath
- quikorder
- Resercom
- takeout technologies
- transboundaries
- webfood
- ziptogo