

# ACCOUNTING

## in the headlines

**How does replacing employees with ordering kiosks at Panera change its break even point?**

During 2016, Panera Bread Company ([PNRA](#)) is building ordering kiosk centers in its cafes. These ordering kiosks will allow customers to browse nutritional content of its menu items and will allow for personalization of menu items. Panera has stated that wait times will be shortened and order accuracy will be improved by using this new technology.

Panera expects to realize labor savings from using the ordering kiosks in place of employees.

### **Questions**

1. Are the kiosks mostly a fixed cost or a variable cost? Explain.
2. Would a Panera's employee taking orders at the counter be considered to be a fixed cost or a variable cost? Explain.
3. How does the change to using kiosks to take orders rather than using employees to take orders change Panera's break even point? Why?