

Realize Your Potential with Information Integration

Microsoft Retail Management provides answers to
small to mid-size merchants' most pressing questions

What products are
hot sellers?
Which ones aren't
moving, and why?

How do I turn
my **POS data** into
business intelligence?



Will my store personnel
be able **to learn** how
to use this product
quickly?

Can this solution
help me expand
into multiple
stores and new
sales channels?

Microsoft

The Answer Is...

When independent merchants set out to make software buying decisions they can become quite inquisitive—as well they should. Beyond the specifics about any particular software, hardware or solution set, they need answers to a whole host of retail-specific business questions:

“Will this solution help me better leverage information from my POS system?”

“Will my current employees be able to learn the system quickly, and train new people on it even more quickly?”

“Will this solution help my business grow, and if it does, will they grow together?”

To these and many other tough questions, **Microsoft® Retail Management** software from **Microsoft Business Solutions** offers answers. Its world-class products are easy to manage and maintain, delivering tools, solutions and services that let small to mid-size merchants manage their businesses better, faster and more efficiently.

Businesses around the world count on Microsoft Business Solutions to manage accounting, finance, analysis and reporting, relationships with customers, suppliers and employees, e-commerce, inventory, production and distribution, payroll, project management and retail management. And the products are connected—for example, analysis and reporting features interact with customer and supplier relationship management.

The connected essence of the product means compatibility with other Microsoft software, as well as higher levels of accuracy, a more efficiently managed business and higher productivity.

Read on for more specifics about how Microsoft Business Solutions addresses merchants' most pressing questions, from the gains that can be made by having a single solution to manage all aspects of their business—including more effective customer service, inventory management, pricing and promotion—to the benefits of a solution that grows along with their business.



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Realize Your Potential

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ADVERTISING SUPPLEMENT

How do I turn my POS data into business intelligence?



Data crucial to understanding key retail metrics is too often trapped from visibility by the merchant, with the store's point of sale often the most isolated. Microsoft Retail Management software can build data bridges that boost business intelligence and the bottom line.

It's one of retailers' most common frustrations—so common they may not realize how far-reaching its effects can be. Key data—including sales, pricing, product movement, inventory and customer management—are too often trapped in different parts of their store, preventing them from having a complete view of their business. Transaction data may be captured in an electronic cash register or sent to a bank and not accessible for reporting and decision making by empowered store employees with direct contact to customers. Even when retailers get the data they need, it is usually too old to be useful, or in formats that complicate decision-making.

When data isn't readily available at the store level, "retailers don't have the key metrics to effectively understand shrink levels, inventory, who they're selling to, and how they're selling products," said Brendan O'Meara, Product Unit Manager, Retail for Microsoft Business Solutions.

As mentioned earlier, some of the most isolated data sets—but potentially those providing the most valuable insights—are in the store's POS system. POS systems' traditional role has been data collection, not providing actionable information. "Just scanning through transactions won't give a retailer business intelligence," said O'Meara, adding that POS data must be mined and analyzed in a timely fashion to provide the information needed for key business decisions.

"Many retailers don't have adequate visibility of sell-through or on-hand inventory levels," said O'Meara. "When they do know their inventory, it's because it's being managed at a PC that's separate from the POS—often with inventory levels updated manually. So retailers don't know what their hot sellers are, except intuitively. At some point, depending on the number

of SKUs in their inventory, that intuition breaks down."

However, when POS data can be made accessible to store managers and linked to other information islands, as it can with the Microsoft Retail Management software, the level of understanding—and the opportunity to improve sales, customer service and store operations—improves dramatically.

"Without a system like ours, store managers are not getting information on which products are selling well and which ones are not," said O'Meara. "With timely sales information like that, the store manager can investigate and fix problems with poor-selling products very quickly."

In an environment where retailers need to make every sale count, linking isolated information is a bottom-line necessity.

"Many retailers don't have adequate visibility of sell-through or on-hand inventory levels."

Microsoft Retail Management POS and Store Operations software Built in functionalities include:

- Customer Management
- Inventory Management
- Merchandise Management
- Purchasing
- Receiving
- Suppliers

Will my store personnel be able to

Meeting customers' needs when they're in the store is the most basic function retailers need to master, but it's also among the most complex. *Microsoft Retail Management* software, which combines reliability and ease of use with sophisticated information management capabilities, makes the balancing act look easy.

“At the POS itself, customers need to be able to pay with what they're planning to pay with, and they need to go through the checkout experience efficiently and in a way where they feel they've been served well.”



Independent merchants with a single store or several stores recognize that the store environment is the “make or break” arena for their most basic function: selling product to customers. Ensuring that the in-store experience is positive has increasingly become dependent on the technology retailers choose to manage their store operations.

According to Brendan O'Meara, Product Unit Manager, Retail, for Microsoft Business Solutions, “When customers come in, they hopefully have a sales intent. As a merchant you want them to leave the store with your product in their hands,” he said. “Retailers want that conversion process to be as effective and efficient as possible, so they don't lose the customer halfway through the shopping experience.”

As with the data visibility challenge, many store operations issues are related to the retail point-of-sale system. POS solutions need to provide consistent, reliable performance and high throughput. When POS systems don't deliver, customer service and sales suffer.

“In the worst-case scenario, long lines at the register can keep people from even coming into the store,” said O'Meara. Time-starved consumers seeing a crowded checkout area may avoid a store altogether.

Long lines at the front end can even discourage customers from completing a

transaction after they have products. By first raising expectations, then not fulfilling them, retailers lose not only specific sales, but they also risk losing customers for good.

What factors slow down the checkout process, creating the long lines that discourage current and potential shoppers? Terminal or system downtime may be to blame, but human issues—cashiers having difficulty with basic transactions, returns or exchanges—are more likely culprits.

Microsoft Retail Management (MRM) software addresses these challenges with the reliability and manageability the company's products are known for. Microsoft Retail Management's Store Operations can and has run when the network server was inoperative, saving retailers' transactions, receipts and reputations. Ease of use and intuitive interfaces fit the high-turnover, on-the-job training environment of retailing today. As growing retailers migrate from a basic system to more and more sophisticated capabilities, screens and procedures must remain familiar for cashiers, back office staff and management.

“Cashiers, some of the key people accessing a POS system, turn over very quickly,” said O'Meara. Labor shortages in the retail sector are likely to continue for the foreseeable future, exacerbating the turnover problem. Retailers today have less and less time to train these individuals, so “cashiers must be

learn how to use this POS software quickly?

able to intuitively understand the system and come up to speed rapidly.”

Ease of use doesn't mean the system can only provide basic transaction functions. Retailers need high levels of data availability to keep the front end flowing and to meet shoppers' expectations. The MRM solution's flexibility, and its ability to access numerous data sources in real time, provide the performance retailers require.

“At the POS itself, customers must be able to pay with what they're planning to pay with, and they need to go through the checkout experience efficiently and feel they've been served well,” said O'Meara. “That means not fumbling around to find the right price for a piece of merchandise, or having to go look something up in a separate system if a product doesn't have a price tag on it.”

Web-enabled POS systems such as the MRM software keep customers in the funnel by providing store associates with updated inventory information. If cashiers have access not only to in-store inventory but also to products located in other stores, they can ask customers if they found everything they needed and offer availability within the merchant's enterprise. A simple customer service query can increase sales.

Giving customers fast, easy service on returns and exchanges can go a long way to strengthen loyalty in your shoppers. “If the customer doesn't have a receipt, the retailer



can't send the person home to get it,” said O'Meara. “But if cashiers can ask when the purchase occurred, or get a telephone number or credit card information, this gives customers and businesses several ways to access information. That processes customers through the final stage of the funnel so they leave the store with your products in their hand, and happy.”

The MRM solution is efficient in another way that's crucial to retailers: it's cost-effective. O'Meara acknowledges that retailers spend, on average, less than 2% of their sales on information technology purchases, so ROI is always on retailers' minds.

“The ability to have a POS solution that a retailer can buy into incrementally, growing as their business grows, is critical for the independent merchant,” said O'Meara. “In addition, Microsoft's solutions, because they leverage the Windows® platform, can reside on very low-cost hardware from a variety of OEMs. The flexibility this provides going in—having the right hardware footprint that meets their needs, and leveraging the lower-cost solutions that are available because of the Windows platform—is really important to retailers.”

“In the worst-case scenario, long lines at the register can keep people from even coming into the store.”

Is this a product that will help me expand into multiple stores

All retailers grapple with inventory management issues—from choosing the right assortment to avoiding out-of-stock situations. With technologies from *Microsoft Business Solutions*, retailers can consolidate crucial inventory information into easily accessible databases, improving bottom-line performance and providing a solid base from which to merchandise their stores.

Retailers' most pressing inventory issue is often their most basic: avoiding out-of-stock situations. While these are challenging at any level, their impact is magnified at the store level.

"If the customer can't find a product, the retailer is already too late—they've missed an opportunity to sell," said Brendan O'Meara, Product Unit Manager, Retail for Microsoft Business Solutions. Out-of-stocks are a sign that retailers are being reactive rather than proactive in their inventory management efforts.

"Proactive retailers know what their inventory on hand is, what's being reordered,

what's in the pipe and what's coming to the store," said O'Meara. "They make sure the product is on the shelf when the customer wants it."

Microsoft Business Solutions' Retail Management software provides retailers with both on-hand inventory and sell-through information. It offers re-order points, on both a product level and rolled up to a product supplier level.

While the Microsoft Retail Management (MRM) software does not provide a full-scale supplier management solution, it empowers the merchant to set re-order points for their stores, giving them the local control necessary to fix the easiest supply issues before they

Solution Tames 'Wild' Inventories

Wild Birds Unlimited faced an inventory management challenge with the potential to ruffle more than a few feathers. While all its stores order from a central inventory of about 500 core items, the extremely localized nature of the \$4.5 billion bird feeding and bird watching market meant that no two stores carried the same overall inventory.

But Wild Birds recognized the need for better inventory management. Any misstep in buying core items had the potential to reduce profits, either by missed sales due to out-of-stocks or tying up cash unnecessarily. Another complication was that franchisees' technological proficiency was as variable as the stores' inventory, with each one automating as much or as little as he liked.

The retailer chose Store Operations, part of Microsoft Business Solutions' Retail Management software, for its combination of franchiser-level control and franchisee-level flexibility. "Everything for an expanding, full-sized store is included—register functions, customer profiling, inventory management, accounts receivable and built-in Web access for the POS and back office," said Ed Balda, Director of Management Information Systems for Carmel, IN-based WBU.

Now, inventory analyses define reorder quantities from historical turn data, available storage space, cash flow and seasonal needs. Reports find products and suppliers that don't meet desired turns and profit margins. Store Operations manages multiple tenders, including gift certificates, layaways and store credits. The typical franchise saved 25% in mailing costs during the first year of using Store Operations to manage customer lists.

In addition to its immediate benefits, Store Operations is helping WBU poise for future growth. The solution is capable of serving as a front-end information collector, sending detailed transaction data to ERP, CRM, data warehousing and data mining solutions. Microsoft Retail Management Headquarters, the multi-store solution, exchanges data and management directions with Store Operations, and Balda is investigating this solution for corporate use and multi-store franchisees.

and new sales channels?



invest significant amounts in an enterprise-level optimized merchant planning solution.

MRM also gives retailers tools to sell more easily. Merchants can use the system to check on product availability in a single-store location or in multiple stores. A sales associate could help a customer find a medium-sized shirt when only larges and extra-larges are on a particular store's shelf. "The retailer would know the on-hand inventory level anywhere across their stores, because it's all in the system," said O'Meara.

While such a system can operate in real time, it can also provide significant benefits in near real-time modes. "The system can send updated information on parameters that the retailer establishes," such as hourly or twice per day, said O'Meara. "Smaller retailers can use economical dial-up lines, while others may have higher throughput needs. It's a very reality-based system. A Microsoft Business Solutions Partner can fine-tune and customize the solution to a retailer's business needs and cost structure."

Overall, Microsoft Business Solutions' offerings provide retailers with solutions that are geared to their needs and capabilities. For example, multi-store inventory management capabilities are important elements of MRM HeadQuarters, which gives buyers, merchants and marketers the control they need. "They can set up products and push out price changes and promotions to stores from a cen-

tral location, rather than using fax or e-mail communications," said O'Meara.

"They just put into the system that a sale starts on this date and ends on that date, that it's X percent off or buy two, get one free. That's pushed out to a store or set of stores, based on rules they set up in HeadQuarters' familiar worksheet environment."

This worksheet process provides flexibility for a range of corporate structures, from mom and pop stores to headquarters of small retail chains. Franchisees, for example, can access the system and provide sales, inventory and product movement data to the franchiser. "Retail Management software also supports the totally centralized model, where an individual store doesn't have the authority to set up products or change a price," said O'Meara.

That same level of flexibility can be used by retailers who are beginning to sell product through new sales channels, such as via an e-commerce Web site. By working with a Microsoft Business Solutions Partner, small retailers can implement an e-commerce solution that allows them to fulfill orders from their brick and mortar store location.

"Retailers gain a single source to manage inventory in a single store, or across many, and they can price merchandise and handle returns centrally," he said. "They're still effectively managing one inventory, but that inventory spans all stores and distribution centers."

"Proactive retailers make sure the product is on the shelf when the customer wants it."



Put the power of an affordable POS solution to work.



Imagine what a powerful Point of Sale and Store Management system can do. Help satisfy customers more profitably. Streamline inventory by keeping better track of all the products you buy. And enhance purchasing power. All while providing service that keeps more customers coming back to you, not your competition.

Now make the dream real. With the Microsoft® Business Solutions **Retail Management System (RMS)**. This *easy to setup and use*, comprehensive solution empowers local and regional independent merchants like you to get all the benefits of business automation. Without all the expense, LANs or servers involved with an IT solution. Best of all, it's designed to grow seamlessly both within and across stores. So you, your employees, and your customers can stay in tune and on track.

Don't let your future pass you by. *Move ahead with confidence today*. Contact us and we'll arrange for a local certified business partner to contact you to implement a solution tailored to your unique challenges. Today and tomorrow.

Discover how Microsoft Retail Management can work for your business. Call us at 1-888-477-7989 and select option 1 or visit us online at www.mbs-transformation.com for a free report titled "Retail Management Solutions in Action."

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