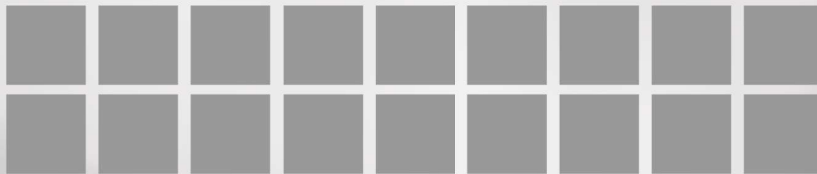




Retail Point- of- Sale Technology Assessment Survey



A guide to help you assess your retail software

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Technology Assessment Tool

Getting Started

This tool is designed to help you assess your current technology needs so that you will be able to run your business more efficiently, more profitably, and with more customer focus. It doesn't matter if you already have an existing system, an older system that needs upgrades, or don't have an electronic system at all. This assessment is prepared by retailers for retailers to supply you with an objective look at your business and its retail technology needs.

Retailing has changed faster in the last few years than ever before in its history. We have added expressions to our retail vocabulary that didn't exist just a few short years ago. Multi-channel retailing, on-line exclusive retailers, instant access to just about everything in retailing, shopping Bots, e-mail marketing, web sites, and, of course, experience retailing. We have moved on from just selling goods or services to creating compelling customer experiences. We have finally accepted that just about anything we sell can be found on the web and at a cheaper price. With all that comes the fact that customers are more demanding and more difficult than ever before.

Technology has become the tool that helps create relationships with our customers because the more we know about our customers the easier it is to service and sell them. There is also less room for errors. Loyalty cannot be taken for granted. Our systems must work seamlessly from the web, to the phone, to when the customer visits us face to face. The winners will be the stores that are constant learners and constant improvers. This assessment is dedicated to the constant improvement of retailers worldwide.

The survey is organized into 9 categories with less than ten strategic questions per section that will translate into a score and a report to help you determine the role technology can and should play in your business. Answering the questions to the best of your ability will determine your score and with that score you'll be able to determine if your technology is helping you or holding you back.

This survey was prepared for you after a significant amount of research by Rick Segel of Rick Segel and Associates. Rick Segel is a Certified Speaking Professional (CSP), consultant, and nationally recognized expert on the topics of retail, marketing, customer service, and downtown redevelopment. A seasoned retailer of 25 years and the author of seven books, including the best-selling Retail Business Kit for Dummies, Rick is a walking, talking, motivational warehouse of practical, common sense solutions, and creative marketing ideas any business can use to become more profitable. Barbara Callan-Bogia served as the project manager for this assessment for Rick Segel and Associates.



Chapter One

Customer Engagement

There are many different names for the time we make contact with our customer. Some call it the point-of-sale, but what if someone is returning something or just checking on an order? Some refer to this as Customer Service but customer service means so many different things to different people. Some think customer service is just being friendly to a customer, while others believe it's the various services you provide. Some say that these encounters are the moments of truth or the moments of magic. We believe it's when our employees engage the customer at the register. Those few minutes can determine whether or not the customer ever returns. There might be an engagement but our systems must be working efficiently, accurately, and intelligently if we ever expect a marriage. This is where the rubber meets the road.

1. Does your system prompt cashiers to collect customer information?

- All the time ----- 5
- Only in certain situations----- 4
- All situations except returns ----- 3
- Don't know ----- 2
- Never ----- 1

	score
--	-------

2. How long does it take for an average cashier to feel confident and competent on the POS system?

- One hour ----- 5
- Half-day ----- 4
- Few days ----- 3
- One week----- 2
- One month ----- 1

	score
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3. How easy is it to correct cashiering mistakes on your system?

- Very easy ----- 5
- Easy ----- 4
- Difficult ----- 3
- Very difficult ----- 2
- Impossible----- 1

	score
--	-------

4. How long does it take to process credit card transactions in your system?

3 seconds ----- 5
15 seconds ----- 4
30 seconds ----- 3
Seems like forever----- 2
Can't process credit cards-----1

	score
--	-------

5. How easy is it to set up your system to prompt cashiers through the multitude of pricing propositions?

Very easy ----- 5
Easy ----- 4
Difficult ----- 3
Very difficult ----- 2
Impossible ----- 1

	score
--	-------

6. Do you feel that your system helps gather the type of information required to build a relationship with your customer?

Yes, definitely ----- 5
Yes, but too hard to use----- 3
System can't track----- 1

	score
--	-------

7. Does your system allow price adjustments at the point-of-sale?

Yes ----- 5
Don't know ----- 3
No ----- 1

	score
--	-------

8. When a customer returns merchandise, does your system integrate prompts or reminders for "up sell" or "save sell" scenarios?

Yes ----- 5
Don't know ----- 3
No ----- 1

	score
--	-------

Chapter One

Customer Engagement Total Score =

	Total Score
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Chapter One

Customer Engagement Scores

35 to 40

Excellent

This score means your customer engagement process is fast, efficient, and it is training your cashiers as they are working. Friendly prompts are helping the cashier serve the customer better, increasing the service level and the customer experience in a subtle way. People hate to wait and with this score your customers are never complaining about waiting. More sales are being made at that moment and in the future because more customer information is being collected. Congratulations, great job!

28 to 34

Good, but room for improvement

Your engagement process is still pretty good and to the casual observer it is not bad at all. But the difference here is that there are probably some lost opportunities in sales because the transaction process is just a little slower. The amount of information collected could be less and the confidence level of cashiers not quite as good.

23 to 27

Fair, but better take some action

Some negative thoughts and impressions are starting to enter into the mind of the customer. They might be getting worried that their credit card approval is taking too long, or they might be getting annoyed at the cashier because they are asking someone else how to enter something. Sales are visibly lost because there just isn't any time to collect data or up sell a customer even though the engagement time is taking longer.

Below 23

Poor, danger of customer losses

Your engagement process is hurting your business because negative word of mouth advertising is starting to occur. The process is taking way too long. Cashiers are having problems working the system; customers are getting aggravated and in turn are taking it out on the cashier. This score also means that employee morale is down and turnover is high. Why would anyone want to work in a place where you get aggravated all of the time? As for the promise of one to one marketing by collecting customer information, this will remain as a concept that works for others. It is time to accept that technology doesn't have to be difficult, slow to learn, and confusing.

Chapter Two

Inventory Management

Does your inventory manage you or do you manage our inventory? Inventory is a retailer's biggest asset, yet without the right information, it can spell disaster in bold letters. You have to control the flow of inventory from when you first plan your purchases, to buying, receiving, selling, and even returns. While some of the problem can be attributed to errors, more often the problem comes from not having the right information about inventory in order to make informed decisions. It is better to know that you are over bought or over inventoried in a particular department than not having the correct information or not having the correct inventory.

1. Can your system record individual and group markdowns easily?

- Not a problem ----- 5
- Group easy, individual tough ----- 4
- Individual easy, group tough ----- 3
- Categories hard to do ----- 2
- Never use system for markdowns----- 1

	score
--	-------

2. Does your system track and manage any type of inventory you could ever possibly carry?

- Yes ----- 5
- Don't know ----- 3
- No ----- 1

	score
--	-------

3. Does your system uncover the opportunity gaps between inventory levels, inventory on order, sales and margins?

- Always ----- 5
- Mostly ----- 4
- Sometimes ----- 3
- Occasionally ----- 2
- Never ----- 1

	score
--	-------

4. Can your system create parameters for best and poor performers in various categories?

- Yes ----- 5
- Don't know ----- 3
- No ----- 1

	score
--	-------

5. Can your system report on sales and inventory by SKU, category and store?

Yes ----- 5
Sometimes ----- 4
On occasion ----- 3
Don't know ----- 2
No ----- 1

	score
--	-------

6. How confident are you that the inventory in your POS system is accurate?

Very confident ----- 5
Mostly ----- 4
Somewhat ----- 3
Occasionally ----- 2
Not at all ----- 1

	score
--	-------

7. Does your system allow for comparison shopping analysis?

Yes ----- 5
Don't know ----- 3
No ----- 1

	score
--	-------

8. Are spot manual inventories of department, category or vendor easy to take, enter and update in the system?

Yes ----- 5
Sometimes ----- 3
No ----- 1

	score
--	-------

Chapter Two

Inventory Management Total Score =

	Total Score
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Chapter Two

Inventory Management Scores

35 to 40

Excellent

A score like this means that you are completely confident about how much inventory you own. That is a powerful statement because most retailers don't have that level of confidence. You also know your top performers according to your standards, not someone else's. Your inventory is in balance according to performance and what you have on hand. If it isn't in the proper balance, you are aware and are making the necessary changes. Your inventory is competitive and regularly checked because it's not that hard to do. This score also indicates that every category of merchandise is being tracked through one system. The new age of retailing combines categories like never before. (Did you ever think there would be a coffee shop in a book store?) It's all translated into customers finding what's hot when they want it and what's not, at a price that will sell it. Congratulations.

28 to 34

Good, but room for improvement

You are close but something is lacking in your system that could make your retailing life so much easier. You probably lack confidence in how much merchandise you actually have. This lack of accuracy can negatively impact the buying decisions you will make—which means you can either be a little over or under bought. That gets translated into loss of sales or loss in margins because you are forced to reduce your prices to reduce excess inventory. Anyway you look at it, they both impact the bottom line, even though these slight differences are hard to uncover because you usually don't know what you are missing.

23 to 27

Fair, but better take some action

There is little confidence in the accuracy of your inventory. You are in a very dangerous situation because you are committing financial resources (spending money) based on erroneous figures. You don't have time to uncover opportunity gaps because you are spending time putting out fires most of the day. Even though inventory visibility is limited, your stores may still be successful because they have factors that are strong enough to overcome inventory deficiencies such as strong salespeople, good service, convenient location, and of course great sales. They have to have great sales to move the over buys. Stores can struggle along this way for years but if one of those factors falters, disaster will come knocking.

Inventories are not being taken regularly because it's too hard to accomplish, and as for markdowns, if taken, they are not completely accurate. You probably don't use your system for everything because you either lack confidence in the information or just find it too hard to understand. Customers are saying things about this store like, "I've seen that before" or "they have nothing." It hurts because you might be loaded with merchandise. But what good is the merchandise if it's not what your customers want, has been in the store too long, and is not competitive? Start taking action immediately. Take steps to manage your inventory because right now it's probably managing you.



Chapter Three

Vendor Management

Vendors are our partners. But in order to be a good partner, you have to know what is expected of you. What are the standards that make a successful vendor/retailer relationship? What converts a vendor into a trusted resource? We must work with our vendors so that they become our allies in creating a strong bottom line relationship. In order to accomplish that goal, we must be aware of performance and how the vendor compares with competing vendors. What are the benchmarks and how should they be established? If the inventory is the business’s greatest asset, then the supplier of that asset, is equally important. Strong vendor relationships can build a business.

1. Can your system track delivery performance so that you know the percentage of total ordered by vendor?

- Yes----- 5
- Don't know ----- 3
- No ----- 1

	score
--	-------

2. Does your system record manufacturer reorder availability?

- Yes ----- 5
- Don't know ----- 3
- No ----- 1

	score
--	-------

3. Do you take advantage of electronic ordering capabilities with your vendors?

- Always ----- 5
- Sometimes ----- 3
- Never----- 1

	score
--	-------

4. Does your system identify top performing vendors by your established criteria?

- Always ----- 5
- Sometimes ----- 3
- Can't set criteria----- 1

	score
--	-------

5. Can your system record vendor markdown allowances?

Yes ----- 5
Don't know----- 3
No----- 1

	score
--	-------

6. Does your system have the capability of suggesting reorders of similar style from lower cost vendors?

Yes ----- 5
Sometimes ----- 4
Not very well ----- 3
Don't know----- 2
No----- 1

	score
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7. Is your system capable of suggesting reorders when exact reorders are not available?

Yes ----- 5
Sometimes ----- 4
Not very well ----- 3
Don't know----- 2
No----- 1

	score
--	-------

Chapter Three

Vendor Management Total Score =

	Total Score
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Chapter Three

Vendor Management Scores

32 to 35

Excellent

Good for you, because a score like this means you know who the top performing vendors are according to your standards. You are taking full advantage of the vendors from whom you can order electronically. You know which vendors you can reorder from, when to reorder, and where you can go to substitute a reorder. It's all translated into customers finding what's hot in your store when they want it, while what's not hot will be at a price that will sell it.

26 to 31

Good, but room for improvement

You are close but something is lacking in your system that could make your retailing life so much easier. You are reasonably certain about your top performing vendors but there might be additional criteria you would love to review but can't for any number of reasons. Generally stores that rank at this level are lacking in some of the latest improvements in POS systems such as electronic ordering or vendor reorder substitution or just might be a little nervous about using some of the newer features. A store will miss some sales and possibly overspend on some merchandise at this level.

Below 26

Lost opportunities

You don't know or you don't have the capabilities to track vendor information. This means that you are either not taking full advantage of your technology investment or just aren't using technological advances that are user friendly, affordable, and readily available. This implies that you are not keeping up and are leaving yourself open to lost business and lack of competitive prowess. Take action--you don't know what you are missing but your customers do.

Chapter Four

Pricing

Pricing today has now combined an art with a science. There are no set formulas for pricing anymore and keystone is DEAD! (Keystone is the tactic of doubling the cost price to establish the selling price.) Manufacturers can make all the suggestions they want but flexibility has become the most important word in the pricing scenario. It is the job of the retailer to be an informed merchant who has the flexibility and understanding to price merchandise at the highest possible price for the fastest rate of sale and still make money. You must test and try various price levels, but you must also be able to maintain a pricing integrity. Information is vital to have the right merchandise at the right price in the store all of the time.

1. Does your system have the capability of adjusting retail prices after ordering but before the merchandise hits the floor?

Yes ----- 5
Don't know ----- 3
No ----- 1

	score
--	-------

2. Can your system program "if you buy this, you get this price" scenarios?

Yes ----- 5
Don't know ----- 3
No ----- 1

	score
--	-------

3. Does your system allow for preferred customer incentives pricing?

Yes ----- 5
Don't know ----- 3
No ----- 1

	score
--	-------

4. Can your system measure the effectiveness of loss leaders?

Yes ----- 5
Don't know ----- 3
No ----- 1

	score
--	-------

5. Can your system aid in testing prices at various levels?

Yes ----- 5
Don't know ----- 3
No ----- 1

	score
--	-------

6. Does your system help you to understand the margin implications with your pricing decisions by style, model, category or department?

- Yes, that's why I have the system ----- 5
- Difficult to do ----- 4
- I get some information ----- 3
- Hard to retrieve information ----- 2
- My system does not have the capability ----- 1

	score
--	-------

7. Does your system allow for producing special event pricing tags for special sale and/or members only preferred customers pricing?

- Yes ----- 5
- Don't know ----- 3
- No ----- 1

	score
--	-------

Chapter Four

Pricing Total Score =

	Total Score
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Chapter Four

Pricing Scores

32 to 35

Excellent

It means you are on top of pricing your merchandise appropriately. Your system has the capability of making changes to prices because it's not hard to do. Your cashiers understand various pricing propositions. Your best customers are being treated best because preferred customer discounts are being offered. You're testing and questioning the right price and what it means to your bottom line. And lastly your system is also a marketing tool because it allows making special tags and treating preferred customers with incentive pricing. Rarely will this store hear that an item is too expensive but if it does, procedures are in place to correct the situation. Congratulations.

26 to 31

Good, but something's missing

Chances are this store has the ability to adjust prices and can offer various pricing propositions and even price incentives to preferred customers. Problems are occurring in analysis of loss leaders effectiveness, margin implications and marketing special event tags. This is a good store that is missing opportunities that would make this store a great store.

Below 26

This is scary

To score this low in pricing means you simply don't know or don't adjust retail prices, don't offer pricing propositions and/or price incentives to best customers. You are not concerned about loss leaders and how it affects anything. Loss leaders can be the spark that ignites a business. They can affect the rate of sale of full priced merchandise as well as other merchandise in the store. They can increase traffic and can even be classified as part of a store's promotional budget. But they only mean something to the retailer who has the information and knows what to do with it. You probably won't care about making special tags for merchandise because you are not doing the basic things such as: knowing the prices range capabilities of the store and location; receiving merchandise to check that assigned prices are the right prices; and using your price tags as promotional vehicles. This isn't the type of store people like to shop in. If you're not going to take care of your best customers, and you're not offering incentives and you handle price adjustments the old fashioned way, there is no way you have the right amount of merchandise in the store or merchandise that will appeal to your customers. There is a salvation here only if you are a new store. We forgive you because these are the lessons you need to learn. But if you've been in business for awhile, change quickly or you'll be ordering "Going Out of Business" signs.

Chapter Five

Reporting

The days of a computer system spitting out reams of data disguised as management reports are over. We need revenue driving information that creates retailing intelligence. Your concern should not be how long and comprehensive a report is. You need reports that are brief and effective. You don't have time for niceties--you need to know what is really happening in your stores and what it is going to take to correct it, change it, expand it, or eliminate it. This section is what any good system is all about. Anyone can gather information. Success is when that information is converted into ideas that you can use.

1. Does your system provide reports that can help you to motivate your employees?

Always ----- 5
Mostly ----- 4
Sometimes ----- 3
Occasionally----- 2
Never ----- 1

	score
--	-------

2. Can your system report on sales and inventory by SKU, category and store?

Yes ----- 5
Don't know ----- 3
System can't track----- 1

	score
--	-------

3. Does your system generate customized titled reports unique to your business?

Yes ----- 5
Don't know ----- 3
No----- 1

	score
--	-------

4. Can your system incorporate customer profile preferences with on-order and received merchandise reports?

Yes ----- 5
Don't know ----- 3
No ----- 1

	score
--	-------

5. Does your system allow you to create customized reports containing the information you want and in the format you want to manage your business?

Yes ----- 5
 Don't know ----- 3
 No ----- 1

	score
--	-------

6. Does your system handle the entire layaway process including knowing how much inventory is laid away, when reminders need to be sent out, being able to inform customers of price adjustments and knowing when merchandise should be placed back in stock?

Does it all ----- 5
 Does some of it ----- 4
 Return to stock notification only ----- 3
 Too hard to use ----- 2
 None of the above ----- 1

	score
--	-------

7. Can your system generate style or vendor alerts?

Yes ----- 5
 Don't know ----- 3
 No ----- 1

	score
--	-------

8. Does your system generate a GMROI (Gross Margin Return on Inventory Investment) report by total store or vendor, category, or department?

Yes ----- 5
 Don't know ----- 3
 No ----- 1

	score
--	-------

Chapter Five

Reporting Total Score =

	Total Score
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Chapter Five

Reporting Scores

35 to 40

Excellent

You are one of the winners in retailing today. We say that because the winners know where they are and can only do that by reading, analyzing, and acting on their reports or findings. If you scored in this range, you are using your reports to motivate your people, sometimes even naming reports after certain key people. It's fun and effective. You are merging information in ways you want it, realizing that 80% of your business will come from your best preferred customers. If you maintain a layaway system, it is managed well because you know what's there, how long it's been there, and you put merchandise back in stock when you should. But what makes you part of this elite group is that you know styles or models that are hot and which ones need some help. You use not only a top performing report but also reports letting you know how much money is being contributed to your bottom line. We salute you and would appreciate it if you let us know when you go public!

28 to 34

Good, but room for improvement

Actually you might be a great store-- it's just that you are missing one thing that puts you into the next level. Generally, it's in the sophistication of the reporting. Sophistication means simple and easy to understand--from merging data, to helping the buyer buy the right merchandise for the right customer, to informing your preferred customers when their favorite merchandise comes in the store. Many independents aren't using a Gross Margin Return on Inventory Investment (GMROI) number because their systems don't offer it but this will be the new standard for vendor, category, and store evaluation. When you don't have a system that generates that type of report, you might not recognize which models, styles, vendors, categories, and/or departments are your strongest. This type of report is more than just how much you sold but focuses on how much money you are actually making. You're still doing a good job, and you will succeed because you wouldn't have scored this high on the assessment if you hadn't overcome obstacles in the past.

23 to 27

Possible trouble

You apparently answered a lot of "don't knows" which means you are having a problem working with your system which is a nice way of saying you don't understand it or are afraid of it. This is not a good thing for anyone--your customers, employees, you and the life of the business. It means you are making blind decisions. But look at it from the positive point of view. You could get lucky and all of your decisions could be right, but who would want to invest money in a business like this? Would you? Make reports a cornerstone of your business. However, in order to do that, the reports must be easy to understand and use. It might not be you but rather the system you own. Check it out.

Below 23

Disaster around the corner

Please read the answer for the score 23 – 27. Then realize your starting point is at a disastrous level. Hopefully you are taking this assessment early enough to be able to save the business. Look at it this way. Why is someone lost? Because they don't know where they are. If we know where we are and where we want to go, you can generally get there. So if you don't have or know how to generate, read and analyze a report, you will never reach your goal. Do something about it now.

Chapter Six

Customer Management: Marketing Promotions

We are living in a customized society and all of our marketing efforts should also be customized. Pinpoint marketing is personalized marketing: it's customer focused, it's the most cost effective form of advertising, it builds customer loyalty. But sending the wrong message to your customer can end the strongest of relationships. Inviting a customer for a sale on petite pants when she is 5'11" can lower the expectation level of future marketing pieces you send. You need to manage customer information to better serve the customer and create fulfilling experiences. You make your customers feel important when you have what they want, when they want it, at a price they want to pay, and remind them that you have it. It's about sharing your message with the right person. That's what advertising, marketing, and customer management are all about.

1. Do you know your store's and employees' individual average transaction size?

Yes ----- 5
Just one of the above----- 3
System can't track ----- 1

	score
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2. Do you know your store's and employees' average units per transaction?

Yes ----- 5
Just one of the above----- 3
System can't track ----- 1

	score
--	-------

3. Can your system automatically generate friendly reminders to customers on items that match their customer profile preferences?

Yes ----- 5
Don't know----- 3
No ----- 1

	score
--	-------

4. Can your system generate pertinent marketing messages to specific individuals or groups of customers? (Special event, birthday cards, private sales, friendly reminders of preferred merchandise, etc.)

Yes ----- 5
Don't know----- 3
No ----- 1

	score
--	-------

5. Can your system generate gift certificates?

Yes ----- 5
Don't know ----- 3
No ----- 1

	score
--	-------

6. How easy is it to generate special orders in your system?

Very easy ----- 5
Easy ----- 4
Difficult ----- 3
Very difficult ----- 2
Impossible ----- 1

	score
--	-------

7. Does your system track where customers buy: online, catalog or in the store?

Yes ----- 5
Don't know ----- 3
No ----- 1

	score
--	-------

8. Do you track customers by spending levels or price categories (e.g. clearance customers versus full-price customers)?

Yes ----- 5
Don't know ----- 3
No ----- 1

	score
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Chapter Six

Customer Management: Marketing Promotions Total Score =

	Total Score
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Chapter Six

Customer Management: Marketing Promotions Scores

35 to 40

Excellent

Scoring this high means that you're using your system to be your marketing machine. You know the importance of average transaction size and units per transaction and you know how it can motivate employees to improve their standings. You also understand the power of the friendly reminder that has become the cost effective way of marketing which reduces cost, adds sales and is perceived by the customer as an added service. Your system is generating information that facilitates orders and marketing material. You are able to generate price level information so that you can develop different promotions by price level motivation. You are probably a multi-channel retailer; if not, you are preparing to be one. Your system might collect data but it's also a customer and friend maker. Congratulations.

28 to 34

Good, but room for improvement

There is something missing here. You scored high but you have areas to address. Our experience indicates that the missing link is a system's ability to generate marketing material such as gift certificates and other types of friendly reminders. This information might be addressed but within another method or system. The other area that seems to trip the retailer up is the area of tracking customers by various price levels. There are some customers who are regular price customers. They buy from you because you have what they want and they will buy regardless of price. We understand that this type of pricing is an endangered species. However, on the opposite end of the scale, there are clearance or bottom-feeder customers. You need to know who they are. The reason is that when you have merchandise to markdown and to move, you know which customer to market to. You don't need to convert your regular price customers to bargain hunters; you've done that enough. Investigate a system that will deliver a marketing machine to you.

Below 28

You are taking the hard way

As opposed to other categories in this assessment where the lowest score would indicate danger or disaster, this category does not indicate that. But what it does indicate is that you're doing things the hard way and you're missing wonderful revenue generating opportunities. There are also some terms such as average transaction size and units per transaction that you might not understand, along with the concept and value of preferred customer programs. You need to find out how these areas can affect your business and move you to the next level. You can be doing marketing and advertising without using friendly reminders and/or special event reminders. But your system should be of some help. Why not take full advantage of technology?

Chapter Seven

Employee Management

Not everyone can have a full Human Resource and/or Security department. In place of these departments/expertise, you need a system that can help better manage your employees. Businesses can't grow without good employees and it all starts with better communication. You need to motivate and inform your employees, utilizing a system they know and are comfortable using. You also need to keep your honest employees honest and have safeguards to avoid problems before they exist or uncover problems before they get out of hand. You should be able to use your system as a tool for better retailing efficiency.

1. Is your system used as an information gathering device for your HR needs, such as a time clock?

Yes ----- 5
No ----- 3
System can't do ----- 1

	score
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2. Is commission, bonus, and spiff information accessible through your point-of-sale terminal?

Yes ----- 5
No ----- 3
System can't do ----- 1

	score
--	-------

3. Is the cashier informed when cash reaches a specific target level so that cash can be put into a safe or deposited?

Yes ----- 5
No ----- 3
System can't do ----- 1

	score
--	-------

4. Does your system have the ability to allow or deny access to selected sections of your system to different employees?

Yes ----- 5
No ----- 3
System can't do ----- 1

	score
--	-------

5. Can your system track register opening and no sales recorded by cashiers?

- Yes ----- 5
- Don't know ----- 3
- System can't track----- 1

6. Are employees prompted by the system on return limits?

- Yes ----- 5
- Don't know ----- 3
- System can't do----- 1

	score
	score

Chapter Seven

Employee Management Total Score =

	Total Score
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Chapter Seven

Employee Management Scores

28 to 30

Excellent

This means you're utilizing your system as an HR vehicle as well as a sales promotion bulletin board, making it easy for employees to gather and collect information. You also feel secure that employees are acting in the most honest and ethical manner by utilizing controls that are meant to keep the honest employee honest and deter employee theft. Good for you.

24 to 27

Missed opportunity

If you're scoring this high, it means the security issues are being used, cashiers know how to process a return successfully, and you feel secure that cash is taken out of the drawer only at the appropriate time. No Sales are recorded, employees are being denied access to certain sections of the system, and every amount of cash taken out of the drawer is accounted for as it should be. The areas of improvement are the use of the system as an HR vehicle and employee information bulletin board.

Below 24

There are some concerns

Again, if you don't score high in this category, you are not in trouble. Your store can be successful and you might not need to use your system as a bulletin board or a time clock. But even the smallest of stores can always save money when their system is used as a time clock. The biggest problem you could have is losing cash, money going right out the door, and the sad point is that you just don't know it. We've all heard the stories of the employee who had been stealing for months and sometimes years simply because there were no controls or reviews. Systems today have the capability of being a security guard and your HR administration. For your future success, you should use such a system.

Chapter Eight

Internet Applications

Electronic commerce and the Internet are here to stay. We are all starting to believe the dream that we were once promised. The philosophy that the customer must “see it, touch it, and feel it” has been shattered with surprising results. For every customer who says “I would never buy a dress or a car on line,” there are 10 people who will. Selling merchandise on line is just the beginning. Retailers, even if they don’t sell from a website, have an appreciation and a clearer vision of our electronic future. The daring and dazzling days of the digital age are here to stay. The time is now to rethink the value of electronic commerce to your business and be open to the possibilities.

1. Does your system utilize Internet capabilities such as credit card processing, vendor ordering, customer contact, vendor catalogs, etc.?

Yes ----- 5
Don't know ----- 3
No ----- 1

	score
--	-------

2. Do you consider yourself a multi-channel retailer? (on-line, catalog, phone sales and brick and mortar)

Yes ----- 5
Somewhat ----- 3
No ----- 1

	score
--	-------

3. For multiple store users--Are you exchanging data through the Internet?

Yes ----- 5
No ----- 3
System can't do ----- 1

	score
--	-------

4. Do you see your business expanding its use of the Internet?

Yes ----- 5
Parts of the business ----- 3
Never ----- 1

	score
--	-------

5. Do you have or are you developing an active web business?

Yes ----- 5
Just getting started ----- 3
No ----- 1

	score
--	-------

6. Are you able to run a web business from your existing inventory?

- Yes ----- 5
- Mostly ----- 4
- Some inventory ----- 3
- Don't know how ----- 2
- No ----- 1

score

Total
Score



Chapter Eight

Internet Applications Scores

28 to 30

Excellent

If you scored this high, you've embraced technology and the Internet and you are truly a multi-channel retailer. You're serving the customers the way they want to be served. Not only have you embraced the Internet, but you have made a commitment to the future of your business. You obviously have a plan and you are ahead of your competition who has not yet embraced the Internet. Even though you might be struggling with different mistakes you've made along the way, your competition is yet to make those mistakes. Congratulations, great job!

24 to 27

Good, but room for improvement

You are doing a good job. You are a multi-channel retailer and you are taking advantage of the Internet. At the very least you appreciate the power and promise of your business and the Internet. The area that many retailers struggle with is the ability to run their web business from their existing system and inventory. The benefits of running one system for an Internet business off of the same inventory reduces costs exponentially. In essence you're saving a whole system. It becomes one store which is the way it should be. If you want a seamless integration between your web presence and brick and mortar stores, your backroom systems should also be seamless. Being able to run one system has motivated retailers to upgrade their systems for just that reason.

Below 24

Wake up

We are living in an electronic world. You are on the other side of the great digital divide. The Internet is about convenience and convenience is the most powerful of all buying motivations. The days of having to touch, feel and hold are over. Being a retailer today means that you're selling from store, on-line and even a catalog. You could be missing a major opportunity.

Chapter Nine

Accounting

For years, merchandising and accounting systems were separate but equal. That thinking just doesn't work today. They are both part of a team that makes for the complete retailer. Why are you in business? It is to turn a profit, build wealth, create jobs and even give back to our communities. Those things only happen when we show profits, have a positive cash flow, and know where we stand financially.

1. Does your system interface with the store's accounting software?

Yes ----- 5
Don't know ----- 3
No ----- 1

	score
--	-------

2. Do your accounting reports accurately reflect your merchandise reports?

Yes ----- 5
Don't know ----- 3
No ----- 1

	score
--	-------

3. Is the layaway data from inventory management automatically incorporated into your financial data?

Yes ----- 5
No ----- 3
System can't do ----- 1

	score
--	-------

4. Are poor performing vendors or outstanding credits flagged in merchandising so that the proper credits are taken?

Yes ----- 5
No ----- 3
System can't do ----- 1

	score
--	-------

5. Are PO numbers utilized throughout the accounting and merchandising systems?

Yes ----- 5
Don't know ----- 3
No ----- 1

	score
--	-------

6. Does the system create audit trails in both accounting and merchandising systems?

Yes ----- 5
Don't know ----- 3
No ----- 1

	score
--	-------

7. Does your system expedite sales tax information into the accounting system?

Yes ----- 5
Don't know ----- 3
No ----- 1

	score
--	-------

Chapter Nine

Accounting Total Score =

	Total Score
--	-------------



Chapter Nine

Accounting Scores

32 to 35

Excellent

Scoring at this level means your merchandise and accounting systems are working together. Your accounting reports are aligned with your merchandising activities. Layaway information is being incorporated into your financial reports which will give you a truer picture. You're not losing credits from manufacturers that you might never be buying from again. Your sales tax information is probably easy to understand and report and you have a way of tracking errors. That is what is called the perfect marriage of accounting and merchandise. It's the way it should be. Congratulations on a job well done.

26 to 31

Good, but room for improvement

To reach this score, your interfaces with merchandising and accounting are probably pretty good and you are no doubt using a top level accounting software package. The area that can cause the biggest problems in this section is the lack of coordination between merchandise returns to vendors so that accounting is taking the proper credits. The traditional challenge has always been the coordination of layaway data into financial statements. Make sure your system has the capability because the savings in time and accuracy can be exceptional.

Below 26

Time to join the technology revolution

By scoring what you scored in this section you're saying you've totally separated merchandise from accounting functions. Either that or you don't have a system or don't know if the system you have has the capability, which is just as bad as not having it. It's time to jump into the new millennium. You're a little late, but better late than never. Join the revolution. Accounting and merchandising managers have become friends. Even if you're a small store, your accounting and merchandising system can now talk. Make it happen.

Chapter Ten

Total Scoring

Now, let's take a look at how your system scores overall. Transfer your score from each chapter to the appropriate space below. Total your score.

	Chapter One – Customer Engagement
	Chapter Two – Inventory Management
	Chapter Three – Vendor Management
	Chapter Four – Pricing
	Chapter Five – Reporting
	Chapter Six – Customer Management
	Chapter Seven – Employee Management
	Chapter Eight – Internet Applications
	Chapter Nine – Accounting
	OVERALL TOTAL

292 to 325

Excellent

Congratulations! You have an appreciation for the benefits and the necessity of embracing technology. You have improved your customer's shopping experiences by constantly having fresh, timely merchandise, with balanced inventories, priced competitively, and are able to integrate that information into your marketing and advertising plans.

Achieving this score says that you know where you are and you have information that makes a difference. But the most important aspect is that your customers know where they stand with you and that is #1. It's about the customer and increasing your value to them. When that happens, everything else works. Your vendors are clear on their roles and standards because you have the information necessary to set those standards. You understand what your reports are telling you because they are customized for you in a useable format. Your challenge is to stay competitive and at the top of your game. You have to continue looking for new innovations that can improve your customer's relationship with your business. That is why you must partner with a technology supplier that maintains an attitude of constant improvement.

This might be a surprise to you, but this is the most dangerous of all of the categories. The reason for this is that your business is good. But “good is the enemy of great” according to Jim Collins in his book *Good To Great*.^{*} You are experiencing silent but deadly signs of lost potential. It’s hard to pinpoint. It might be a lost opportunity to collect customer information during the engagement process that will result in a lifetime of lost sales. Or the new inventory was priced a little too high, or there might have been just a little too much of a certain category and not enough of another—but nothing anyone would really notice. You might not be asking a vendor for an allowance before you place your next order. On the surface you look good, but when you dig deeper there is a string of possibilities. The reason why this is the most dangerous is because the signs aren’t clear cut. You aren’t noticing any significant effect on sales. Your job is to raise the bar on your management inspections. Question every procedure and make the changes. Now may be time to change your point-of-sale and retail management system; it is worth a discussion with your technology supplier to see if there are ways a new or upgraded system could improve your business.

Here are a number of ways an improved POS system could help you:

1. Capture customer information to create a loyalty program and provide incentives to your best customers
2. Get up to the minute analysis of what merchandise is moving and what isn’t
3. Know how much inventory you have in stock at any given time
4. Know which vendors are giving you the best prices
5. Dramatically cut overhead costs and save money every month

Your challenges are clearly defined. You have specific categories that need immediate improvement. This is most likely in the area of realizing the marketing potential of data collection, and the realization that the more you know about a customer, the easier it is to service and sell them. You are probably using a system whose potential hasn’t been tapped and that generally occurs because the system isn’t user friendly enough to operate or you don’t have anyone who can work with you to make it work. Your inventory is keeping you on a treadmill where you never seem to get ahead. It’s time to take a hard look at your reports and say to yourself that if they are too hard to use, make them easier. Make your system the employee that is smart, works hard, and is a major contributor to the bottom line. Find a technology supplier that you can depend on to understand your business and help you find a point-of-sale and retail management system that works as hard as you do.

^{*} *Good to Great*, by Jim Collins, Harper Collins Publishers, Oct. 2001

Don't let technology scare you. You have lived in the fear of technology too long and you must make some immediate changes if you expect to survive. You must start with the reporting features by asking yourself what do you need to know that will make this business run better. Chances are many of you who scored in this range are either new retailers or you don't use any type of electronic information and intelligence producing system. Don't feel bad because over 52% of independent retailers today are not computerized. You have waited long enough. The technology and the price have finally reached a point where it is more costly not to have it. The days of waiting for phone lines to process credit cards are over. The Internet is here to stay and it's time you become a part of it. Customers expect you to be a multi-channel retailer, so you'd better start. You can't run a competitive retail business by the seat of your pants and that's what you are trying to do. Reread the questions and ask yourself where do you have the greatest need and address it. Do it fast before time runs out. Find a technology supplier that you can depend on to understand your business and help you find a point-of-sale and retail management system that works as hard as you do.



Chapter Eleven

Microsoft® Business Solutions Retail Management System

To maintain your competitive edge and increase profitability, retailers like you need POS and retail management tools that help you serve customers effectively, maintain tight control over processes and performance, and keep pace with larger businesses. Microsoft® Business Solutions Retail Management System empowers you to manage and grow your single or multi-store business with an affordable, easy-to-use solution that adapts to your specific retail needs.

Easy to Use – Jump-start business productivity

- Automate your retail operation with one easy-to-use solution.
- Speed checkout lines and help improve accuracy at the POS.
- Maintain tight control over your inventory.
- Steer your business in the right direction with information you can act on.
- Provide the efficient, personalized service that keeps customers coming back.

Fast ROI – Realize the best return on your investment

- Drive down the costs of doing business.
- Integrate card processing with Citi® Merchant Services.
- Keep your focus on your business and customers, without taking time out to manage technology.
- Avoid overstocks and out-of-stock situations and help reduce shrinkage.
- Maximize cash-in per customer and marketing returns.

Adaptable – Compete more effectively with a flexible solution designed for growth

- Personalize the technology to fit your needs today and tomorrow.
- Help control and manage the way your business grows and changes.
- Make your existing Microsoft® Office System software part of your business management system.
- Integrate with QuickBooks® 2003 to streamline accounting processes.
- Connect financial information and processes with Microsoft® Business Solutions—Great Plains®.

Backed by Microsoft – Work from a solid foundation

- Run your business on a reliable, unified technology platform.
- Build your business on an unshakeable foundation.
- Help protect your investment with technology that is widely compatible.
- Help extend your competitive advantage with Citi Merchant Services and Microsoft technology.

For more information on Microsoft Business Solutions Retail Management System, visit <http://www.microsoft.com/retail>

This document was prepared by Rick Segel of Rick Segel and Associates, Burlington, Massachusetts, on behalf of Microsoft Corporation.

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