

# ERS

**THE LOYALTY CARD**  
Keeping staff sweet,  
with Dan Smith,  
Border's Group

**EXTENDED RETAIL SOLUTIONS**

**INNOVATION PURE  
AND SIMPLE**

Talking IT with Gareth  
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**A STORE FOR ALL  
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NRF's Tracy Mullin and  
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# The contender

Can Terry Leahy's Tesco take on the US  
retail heavyweights?



# STRAIGHT TO THE POINT

**R**etailers no longer look at point-of-sale as simply being there for customers to buy goods, it is also a vital source of information on what is happening throughout the store to improve both top and bottom lines. These systems have to be fast, flexible and easy to use without sacrificing resilience. But technology is only as good as the people behind it.

Branden Jenkins of Retail Anywhere, a software development company specializing in in-store and retail management technologies, gives *ERS* his expert insight into creating the right POS system for your store.

**ERS. You have been in the industry for almost 10 years, how have you seen customer expectations and attitudes change when it comes to POS? What are their top frustrations with customer service today?**

**BJ.** I don't think that retailers have ever felt their line of work was easy, though they're certainly feeling increased pressure from all directions. For one thing, it seems that consumers are time-deprived, so saving time is as or more important than saving money for most people. This puts added pressure on retailers to continuously increase their efficiency. Customers are both empowered and overwhelmed by their number of choices. Online comparison shopping enables the smart consumer to find a product at the lowest price. To compete, you are expected to match or beat it. If you do, you may get the sale, but you may lose the profit. So combine these factors, and you may be offering better, more innovative service than ever to retain your customers – speeding up checkout, offering loyalty programs, etc. – yet you're also looking at thin profit margins, because your customers know they can buy an item for the same or less from a competitor, and often times they will! There's an overabundance of everything in the market today except for customers, so retailers and their technology providers are challenged with finding creative ways of satisfying and appealing to customers in order to keep them for life and gain a larger piece of market share.

**ERS. When companies approach you looking to upgrade their POS systems, what are the most common problems you encounter with their current technology?**

**BJ.** A lot of what's driving upgrades is related to the last question. Older POS systems came from a time when we had a narrower view of customer service, and customer expectations weren't as high – not as much was possible with older technology. So when retailers want to improve their service, older systems may hold them back. For instance, we can offer integrated high-speed credit card processing now, and the customers who have upgraded to it rave about how it helps to reduce checkout times and keep their customers from waiting.

Some retailers are running on DOS systems. These are not only slower and lack functionality, but their user interfaces aren't as friendly as what's available today. When stores upgrade to our product their managers are excited at how intuitive the user interface is compared to what they've used in the past. Training new employees becomes less time-consuming, and so does correcting a transaction. If a business has grown, its old technology may not be robust enough to handle its current volume. And often retailers would like to implement a program like gift cards or to take advantage of a new printer or other equipment that they can't run with their existing system.

**ERS. What would you say are the basics any tech-savvy retailer should incorporate into their systems and why?**

**BJ.** A modern POS and back office (enterprise) solution give a retailer core infrastructure. These pieces provide the kind of efficiency, speed and analytical insight that most people have in mind when they're thinking about implementing a retail technology infrastructure. With the core solutions you can add on in whatever direction once you're ready, assuming you've chosen a platform that will enable it. Someone who has a warehouse or dynamic inventory movement can benefit from a more robust warehouse solution that integrates with their enterprise system. We think many retailers may choose to adopt new point-of-service solutions such as interactive kiosks and/or mobile POS before long. Both have many capabilities for enhancing the customer shopping experience and provide added value for store employees and managers. And, importantly, they're not too much of a leap in terms of what people are ready to adopt now.

**ERS. The back-office is just as important as the POS function. How can retailers get a more holistic approach to their business and what are the benefits?**

**BJ.** The functionality of POS systems has greatly expanded. They can now track employees' sales and hours, ensure accurate promotional pricing, update inventory numbers, provide marketing information, track loyalty programs, and dramatically improve the quality of service and overall customer satisfaction.

To get a more holistic approach than is possible with a POS system alone, retailers need to choose enterprise/back office solutions that are entirely integrated with their other solutions. Integrated POS and other point-of-service solutions (kiosk and mobile POS) yield data, and the enterprise solution compiles this data from one or many points. As compiled, it informs a retailer in his efforts to effectively merchandise, manage inventory, maximize workforce and manage customer relations. It can yield customized reports and reminders based on what you've told it you need to know.

Basically, a holistic approach enables even a small business to follow the best business practices used by market leaders. These best practices have a lot to do with making connections: connections between aspects of your business, and with your customers and with your employees. Without the ability to seamlessly track what's going on through the entire operation, important details can fall between the cracks, and the cumulative effects are lost opportunities and an erosion of profitability. When you have an overall view you can make effective, fast decisions about transferring or marking down inventory that ultimately help keep supply and demand more closely in balance and increase your profitability.

Employees can also be more productive when the infrastructure more closely supports them in achieving their goals. Real-time information coming from an integrated system means that they can focus more on execution than on getting the information they need to execute.

**ERS. Once integrated, what are the key things they should be looking out for in software solutions to ensure extensive functionality, flexibility and longevity as their business grows?**

**KW.** Successful retailers continuously evaluate the relationship between their technology and their goal of providing great customer service. Retail technolo-

gy providers offer solutions to problems, yet each retailer has to know its customers and determine its own areas for improvement on an ongoing basis if it's to make the most effective technology choices. Once a retailer determines how technology needs to fit into its picture, we suggest solutions that don't operate in a vacuum, but incorporate collective retail intelligence. Microsoft SQL Server is one aspect of that. Microsoft recognizes that the size of the retailer isn't necessarily proportional to the size of the data volume. A relatively small retailer may go from managing very little data to managing 10 times as much just through the adoption of a new sensing technology. This retailer is best served by not paying for that capacity upfront, but by having the choice to quickly get it when it needs it. Microsoft SQL makes that scalability possible, and because Microsoft is everywhere, great new applications will continue to be offered on the platform. Retailers also need to choose software solutions that are built upon industry standards.

**ERS. What industry standards should retailers look for and how can they make sure they are being adhered to?**

**BJ.** These standards are the other piece of what we call collective retail intelligence. One is Open Point of Sale (OPOS). It's the first widely adopted POS standard and was initiated by Microsoft, NCR, Epson and Fujitsu-ICL over 10 years ago, because each company had been introducing peripherals without attention to compatibility with others' products, creating chaos and frustration for retailers. The standard means that if a company buys an OPOS printer now, this printer will go with OPOS signature capture equipment it may decide to buy in the future, potentially maximizing the life of a retailer's equipment investment. Going forward, OPOS will be called UPOS, or Universal Point of Sale, which takes Java technology into account.

Another valuable standard is the ARTS Data Model. ARTS is an international membership organization dedicated to reducing the costs of technology through standards. It's the technical wing of the National Retail Federation (NRF), which is the world's largest retail trade organization. The Data Model is a comprehensive relational database design containing more than 4000 fully defined data elements within more than 600 tables. Because the NRF has an incredibly broad cross-section of retailers within its membership, ARTS was able to get their input in determining what types of data retailers need to manage. This means that even the smallest business without IT staff can reap the benefits of a data model that 'the big guys' with all of their resources helped to advise.

Buying into the ARTS and OPOS/UPOS standards allow businesses to quickly adopt the new and great retailing ideas that come along without being held hostage by the system they've already invested in. Technology providers who develop to these standards will usually pursue certification, and this is how retailers can know the products are in compliance.

**ERS. Retail management tools are only as good as the staff know-how and training behind them. How easy are your solutions to integrate and operate, and what kind of additional support do you offer?**

**BJ.** Retail Anywhere at one time was known as AIM Systems, and started working with retailers more than 25 years ago to create a PC/cash register interface. Historically we did a lot of software customization for customers, though now we offer a more robust out-of-the-box product that can be tailored to suit individual customer requirements. Our flexible solution allows us to easily configure and design the user interface based on those unique requirements, and this is one of the things our customers like. A tailored solution reduces the learning curve, resulting in shortened training time for staff. A 15 minute training session is all that would be required for a cashier to fully operate Retail Anywhere POS because the interface is intuitive, and so much about it is self-explanatory.

The enterprise solution requires more in-depth learning as it's the 'brain' of the business, yet it's a straightforward and predictable program once you have

## CASE STUDY

Company: RadioShack de Mexico

Number of stores: 130

Number of Retail Anywhere POS stations per location: 2

Number of Retail Anywhere enterprise users: 25

Retail Anywhere software used: Retail Anywhere Enterprise, Retail Anywhere Warehouse and PC Register POS

RadioShack de Mexico (RSM) is a trusted consumer electronics specialty retailer and a growing provider of business-to-business retail support services. The company operates a vast network of sales channels, including 130 company-owned stores, delivering convenient product and service solutions to customers throughout Mexico.

The company chose Retail Anywhere because it wanted a fast upgrade from existing applications, while adding functionality, with easy to use information tools that could support its business expansion plan. The most important requirement was having a POS system that was integrated with back office software that could work offline or online, supplied by a company that could offer excellent technical support.

The biggest challenges facing RSM was upgrading from an old DOS program to an all Windows version with web integration, while at the same time streamlining store replenishment and warehouse management. This was set against the backdrop of a fast expansion program and a need to improve productivity while regionalizing prices and product offerings.

Since implementing the new POS system, RSM has opened 30 new stores, maintaining the same administrative headcount at corporate offices and seamlessly managing regional pricing and products. In addition, with the new reports generated, RSM was able to improve product replenishment to stores, track customer habits and react quickly to their demands.

a basic understanding of it, because the tool sets are the same regardless of what you're doing.

In terms of service, we offer lots of flexibility, because our customers have varying needs not only from one customer to the next, but from time to time. We offer different types of support contracts, after-hours support, and pay-by-incident support. Depending on the type of system and service a customer chooses, our customer support staff will do the installation and train employees before the system goes into use. We also supply things like receipt paper and labels for bar-code printers, so customers can get their supplies from us and keep it simple.

**ERS. A lot of retail managers say they would prefer to spend more time on the shop floor. How do your solutions allow them to free up more time as well as giving them all the data they need?**

**BJ.** Store managers are often challenged to spend less time in the back office, and both Retail Anywhere Mobile POS and Retail Anywhere Kiosk solutions can help. Our integrated solution can give a manager access to data through the kiosk, mobile device, or even her cell phone or PDA, so that the routine administrative tasks that keep her in the back office take less time and are simpler to accomplish from anywhere. In this way, more of her focus can be on the aspects of her job that directly impact customer satisfaction and sales.

It's actually possible to empower all employees with these solutions because product specs and comparisons and customer information can be made readily available to anyone with the right access level, as well as each person's schedule, time tracking, sales goals, etc. ■