



## Microsoft Point of Sale Customer Solution Case Study



### Microsoft Point of Sale Organizes Histories, Inventory, and Purchases for Fine Gifts Shop

#### Overview

**Country or Region:** United States

**Industry:** Retail

#### Customer Profile

Bella Rose in Seattle, Washington, sells a charming mix of collectibles, tableware, art, jewelry, and home décor. Personal service and special orders are common, and every purchase is gift-wrapped.

#### Business Situation

After more than a year in business, the hidden costs of having only an electronic cash register began to surface. Staff stayed late, customers waited in line, and bookkeeping costs were high.

#### Solution

Microsoft® Business Solutions Point of Sale, entry-level automation for independent retailers, tracks customer buying histories, has reduced paperwork and time spent tracking orders, and speeds lines.

#### Benefits

- Credit card processing goes from minutes to seconds
- Bookkeeping costs drop by 70 to 80 percent
- Staff tracking and follow-up time cut by U.S.\$4,000 annually
- Owner walks a mile less per day in store

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Tracie Hiemstra, Owner, Bella Rose

Bella Rose Fine Gifts & Furnishings sells tableware, art, jewelry, accessories, and even baby goods, all very carefully chosen to enrich the clientele’s homes and personal images. But after a year in business, the manifold details of following up on special orders and incomplete shipments, as well as the task of managing a constant stream of new suppliers was inundating owner Tracie Rose Hiemstra and her staff.

After watching QuickBooks Point of Sale slow down her purchases in a neighboring shop, Hiemstra agreed to install Microsoft® Business Solutions Point of Sale. Today, she and her staff have easy access to complete records, and have thrown out the clipboard and electronic cash register that never managed all the details. “This system helps us accommodate every customer’s shopping preference, leisurely or in and out in two seconds. This is what we always needed,” says Hiemstra.



“Things go so much faster at the register, and customers’ wait time is now down to a fraction.”

Tracie Hiemstra, Owner, Bella Rose

Hand-painted pepper grinders spice up shelves and ambience at Bella Rose.



## Situation

As a consultant in business dynamics and processes, Tracie Rose Hiemstra, Ph.D., and her husband Glen, a renowned futurist, had always dreamed about opening a fine gifts and furnishings store.

Finally, fate stepped in. “We were in our car in October 2003, literally following a rainbow,” says Hiemstra, “when that rainbow started coming to us! The next day we found store space, signed a lease, and obtained financing for a well-stocked, 702-square-foot store.”

Now Hiemstra and a staff of three manage 4,500 stock-keeping units (SKUs) of upscale gifts and furnishings, including jewelry, books, candles, baby items, stationery, wall art, and collectibles. Their brands include FAI jewelry, Patrizia Anichini linens, Altamira lighting, and Petunia Pickle Bottom.

## Learning the Ropes

“Our number of transactions varies dramatically because gifts are so cyclical,” says Hiemstra. “November and December are frantic, with times reaching more than 50 sales an hour. But the first quarter of the year is quieter. Some customers like to linger and look and talk. Others need to be in and out in two minutes. Boutique gift shops are unique like that, and we have to please everybody. It’s a very personal sale and relationship.”

Although clientele are mainly walk-in customers, Bella Rose does substantial sales in phone and special orders. “Last year, we increased our first year’s sales by 25 percent—and we were keeping all our reminders and follow-up notes on a fat, over-stuffed clipboard!”

Corporate sales such as 30 business card holders and 50 items for gift baskets helped increase revenue.

## Growing Pains

But in the early days, Hiemstra didn’t perceive a need for a retail management system. “We hadn’t put in a system because we hadn’t broken through a common retail dilemma,” she says. “When you have the time, it’s because business is light, so you think you can’t justify the cost. When you have the money, it’s because sales are high. Then you say you don’t have time to put in a system.”

Soon, lack of automation began to eat away at profits in a margin-conscious business. “The high costs of bookkeeping and staff’s perpetual manual record keeping showed up in our bottom line, and we needed a fast and easy-to-manage inventory system,” Hiemstra says. “We had no adequate way to track individual customers’ purchases. We just kept their names, phones, and addresses in Microsoft® Excel.”

## Solution

“Looking back, waiting to buy a system was penny-wise and pound-foolish,” she says, “so we began searching for a fast, robust, and economical point-of-sale (POS) system by asking fellow retailers,” says Hiemstra.

“I checked out the Intuit QuickBooks Point of Sale system that one of my neighbors was using—until it made her rerun my holiday order three times,” she says. “QuickBooks POS wasn’t that quick at the POS! It didn’t adapt to my real-world changes at the register. Of all the systems we investigated, Microsoft Point of Sale gave us dependability, the Microsoft name, and a very robust system for an independent retailer. When customers want in and out in a hurry, this gets it done—and we have a permanent record of the customer and the sale.”

“Our local Microsoft Business Partner was quite involved in the implementation and training,” Hiemstra says. They reviewed

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Tracie Hiemstra, Owner, Bella Rose

network infrastructure and reconfigured it so multiple users could have access and Internet connectivity. They also imported existing inventory and customer information. The POS register was temporarily installed in a back office for a final system check and to provide employee training. “All of this was done the first day, and the register was put up front on the second,” says Hiemstra. “Our partner designed a custom label with item number, price, and bar code that my staff and I can print out and put on our 10,000 pieces of merchandise.”

#### **Newfound Ease**

Hiemstra and her staff were initially daunted by the thoroughness of day-end reports, but she soon found the data invaluable. “It seemed a lot to digest,” Hiemstra says, “but now these ‘hard numbers’ help me buy and sell based on pure facts.”

Hiemstra discovered Microsoft POS to be

highly intuitive and flexible. “The sales functions are simple to teach. On a scale of 10, its ease is 9.”

The partner’s follow-up was another plus. “In any new system, there can be shake-out issues,” Hiemstra says. “One register drawer didn’t always pop, so they just moved its lock over. We had a caps key that stuck on a keyboard. But the team was always right here on any software questions. The only real follow-up guidance was integrating Microsoft POS into our QuickBooks bookkeeping software, and we’re in process on that.”

#### **Benefits**

“Things go so much faster at the register, and customers’ wait time is now down to a fraction,” she says. “After the initial time investment of putting new look-up codes on our merchandise, now we just scan the bar code. We enter it once, maintain it automatically, and don’t have to recount it again.”

#### **Credit Card Processing Goes from Minutes to Seconds**

Credit card approval, long a source of customer wait time, is a breeze. “We used to ring up a sale on the cash register, walk to the credit card machine, enter the credit card number, walk back to recheck the amount, then wait for two tapes! When I wear my pedometer, it shows I’m walking a whole mile less per day around the store! Most retailers don’t realize how cumbersome the old credit card processors really are. Now, instead of having three minutes to wrap our gifts during credit card authorizations, we have to figure out how to wrap the package in a couple of seconds. But all the customers farther back in line love it.”

Another valuable feature is Transactions on Hold. “We encourage customers to start their own piles of merchandise as they shop. We start ringing up their merchandise bit by bit,

Fine leather accessories from Bella Rose finish off any outfit.



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Tracie Hiemstra, Owner, Bella Rose

Catching glints of Seattle's sun, elegant candle holders brighten window displays at Bella Rose.



and put the sale on hold,” says Hiemstra. “Checkout is like lightning because, when they’re ready to leave, the transaction is all but done.”

#### **Record-Keeping Time Shorter**

“Microsoft POS is so much easier than keeping all the retail detail in manual records—with the bad handwriting, the wasted time, and the wondering if someone remembered to write down this or that detail,” says Hiemstra. “Now I know it’s all in one database, and reports present it to me as I need it.”

“The batch reports are saving me time, and I use the purchase orders constantly. Not only has it saved on aggravation, but I’ll be saving around U.S.\$4,000 annually in staff time for record keeping!”

#### **Owner Walks One Mile Less Daily in Store**

Inventory, formerly a guessing game, is now easy. “We hated tracking inventory. One of my staff spent four days inventorying our small amount of back-stock,” Hiemstra says.

“I used to put in one to two extra miles a day up and down stairs when we did it manually. Now we check our actual back-stock on the computer. The other real timesaver is adding

new items to inventory right when we receive them. Now this is one process, not several.”

#### **Bookkeeping Costs Drop by 70 to 80 Percent**

Reordering is easier. “There used to be no simple way to compare past orders,” Hiemstra says. “Now we just look at our new system’s records of what’s in stock, compare it to what we need, and order what’s missing. Today, I’m writing my Christmas order for a collectible ornament line. With Microsoft POS, I can see current levels of snowmen and angels without a trek upstairs to unwrap each one. Then I look at last year’s sales, and order exactly what I’ll need.”

#### **Bookkeeping Costs Cut by \$3,000 Annually**

Hiemstra projects important savings in outside bookkeeping help. “Previous costs were \$2,000 or \$3,000 more than currently. That’s saving 70 to 80 percent, and every penny can go to the bottom line.”

#### **Looking Good**

To independent retailers competing with large chains, customer perception sets the tone for repeat business and word-of-mouth. “It’s very important to appear prosperous and savvy, even in a light month,” Hiemstra advises. “People form lasting opinions in a few seconds, and smart retailers can capitalize on that. We always keep ample inventory so there is never the impression that we’re low on merchandise. And this system helps you appear high-tech and prosperous.”

In many different ways, life at Bella Rose has become much easier since the installation of Microsoft POS. “My staff is impressed because this makes their job much easier and more productive,” says Hiemstra. “They were overjoyed at being able to throw out the tracking sheet and clipboard! What they like



Bella Rose's first ECR was no bargain when it came to tracking a busy shop's special orders and inventory.

best is the EDC [electronic data capture] integration and speed.”

#### **Taking the Plunge**

Hiemstra has no doubts about what she'd advise other retailers. “Take a deep breath and just buy that retail system. We thought we were too busy to automate but of course we were too busy because we were wasting all those steps. Microsoft POS gives us back time. I don't know how we put it off as long as we did. Right now, my old ECR [electronic cash register] is upstairs in a corner. I think I'll put it in the parking lot with a 'Take Away, Free' sign on it.”

## Microsoft Point of Sale

Microsoft Point of Sale helps small, independent retailers level the playing field in today's competitive retail environment. Microsoft Point of Sale provides a comprehensive, easy-to-use retail system to track sales, inventory, and customer information. Designed to overcome the limitations of Electronic Cash Registers (ECRs), the software helps retailers save time and money, automating stores at an affordable price. Microsoft Point of Sale works with the Microsoft Office System and other financial software to streamline store operations and record keeping. Retailers can use Microsoft Point of Sale out of the box with existing PCs and peripherals, or they can acquire complete hardware/software solutions from leading Microsoft technology providers.

For more information about Microsoft Point of Sale, go to: [www.jdapos.com/solutions/microsoft/pos.html](http://www.jdapos.com/solutions/microsoft/pos.html)

### Software and Services

- Microsoft Windows Server System™
  - Microsoft Windows® XP Professional
- Products
  - Microsoft Point of Sale
  -

### Hardware

- PioneerPOS 12" touch screen with integrated magnetic stripe reader
- Epson DM-805 pole display kit
- Cherry 104 key keyboard
- APG Series 100 cash drawer
- Symbol LS 2208 scanner
- Epson TM-88III receipt printer
- VeriFone 1000SE PINpad

### Your Local Partner

- J.D. Associates: 800-564-4488

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