



Overview

Country or Region: United States

Industry: Retail

Customer Profile

The Landing Music, Ltd., a 10-year-old institution in Seattle, Washington, sells new and classic albums on vinyl and CD. Owners “amp” sales by special orders and showing local art in their well-kept store.

Business Situation

An electronic cash register recorded vague categories, not exact items sold. Managing customer data, sales records, and special orders kept owners late and stole time from family and from “having a life.”

Solution

Microsoft Point of Sale in front and back, plus laptop access, has cut transaction times, automates reordering, and now lets owners leave the store with far fewer concerns.

Benefits

- Opt-in customer database enables suggestion selling.
- Loyal customers’ discounts are pre-set in the system.
- Automation of special orders.
- Controls prevent serious shrinkage.
- Owners leave the store without worry.

Comprehensive Retail System Puts New Spin on Store Records for Classic Vinyl, CD Retailer

“Looking back on how Microsoft Point of Sale has simplified things, has allowed us to keep more accurate records, saved us time and money—I can’t believe we waited this long.”

Rick Geist, Co-Owner, The Landing Music, Ltd.

One of Seattle, Washington’s foremost retailers of rare, classic, and contemporary niche albums in original, new vinyl, and CD formats, The Landing Music, Ltd. has served walk-in and mail-order customers since 1995. Last year’s growth was 10 percent, but time spent in the store needed owners Rick and Beth Geist. “Our ECR [electronic cash register] was a collectible,” says Beth, “so it only gave us categories, no specifics. And no retailer can prosper without exact knowledge of what has sold.”

After months of system previews, Rick found QuickBooks Point of Sale illogical and many others too expensive. The Landing installed Microsoft® Point of Sale in early 2005.

“Literally every business process moves faster,” says Beth. “Lines are quicker, we know what to order without paper notes, customer discounts are clear, and we’re building a database of customers.”

“I only wish we had done this four years ago! It would have made our lives easier and would have helped us grow faster.”

Rick Geist, Co-Owner, The Landing Music, Ltd.

Situation

The Landing Music, Ltd. is a ten-year tradition in Seattle, Washington's University District. Elizabeth and Rick Geist debuted the store in October 1995 and have kept sales and sounds booming in classic, hard-to-find, and new niche vinyl and CDs. Sales were up 10 percent last year, with walk-in business accounting for nearly 90 percent of almost U.S.\$320,000 in yearly revenue, and mail orders adding the rest.

A Chorus of Voices

“Over 50 percent of our business is repeat customers,” says Beth. “Some drop in weekly for a few items; others we see once a year when they fill up a holiday bag with gifts.” Special orders make up 25 percent of sales.

The Geists attract new customers by excellent service, comprehensive knowledge of recordings, and participation in local promotions such as a monthly art walk. “We might hang a local photographer's or artist's work,” says Beth, “or display novel jewelry.

The artist makes sales, and we get new people to see our inventory. Everybody has a favorite album they can't find, or knows someone they want to buy one for.”

Rick pegs their ever-shifting stock's value at about \$100,000, primarily in “a massive inventory” of used and collectible records, with about 1,000 new vinyl and audiophile pressings of classic releases, plus an eclectic range of several thousand CDs. The Landing also sells movie and music DVDs. The store has two full-time and three part-time employees.

All the Records

Customer satisfaction came at a cost of impossible hours and reams of paperwork. “We started The Landing the month we got married,” says Beth, “and haven't stopped working. For years, we almost lived in the store. Paperwork ate up time, and it had to all be done right and watched to keep the revenue coming in and customers happy.

“This is very much a word-of-mouth business. Mess up a special order and the customer won't come back. Locate the hard-to-find album they danced to at the prom, and you have a friend for life.

“Margins are tighter than customers think on new products,” Beth says, “so we make sure to fill every special order and request that we can. Special orders are our ‘bread and butter,’ but they eat up hours. By the time you write down, look up, order, sometimes follow up, receive, and log the special order, then notify the customer, get paid, and pay the supplier, you're into ten tasks per order. We knew we had a lot to automate.”

Shrink Rap

“In the early days,” Beth says, “we took some nasty hits on shrink from isolated employees. Our team is now honest, and we trust them, but retailers need systems in place to check.”



Hanging local artists' work, like these colorful oils by Redmond's Linda Baker, blends with store décor and attracts new faces.

“I love having instant, on-screen reports on top sellers, slow movers, and who sold what. I watch reports a couple of times a day to see what’s selling, because occasionally my best guess misses the mark and I get a surprise.”

Beth Geist, Co-Owner, The Landing Music, Ltd.

Rick adds, “Because shrink occurs so many ways—and we had such soft records—it was difficult to know what our shrinkage really was. We only did inventory once a year, so shrink was difficult to pinpoint. We intuitively knew some things were missing, but it was a feeling more than a clear statement.”

Ancient Manuscripts

Rick says, “Inventory management can overwhelm a small retailer, and our old ECR [electronic cash register] only tracked categories, not exact items sold. It wouldn’t tell us which titles to order so, during each transaction, we wrote down every item sold on a tracking sheet.” The most profitable transactions caused the most difficulties. “It was no problem when someone bought two or three items,” Rick explains, “or if business was light just then. But people in line behind a customer who’s buying 20 records and CDs can get pretty grumpy!”

“And if we didn’t keep track, we’d never know what to reorder, who liked what types of music and which artist, or what to credit on product returns. Since we’ll always entertain a discount for a big order or a loyal customer, we need a clear record in case of a return.”

“Tracking customer histories and preferences was iffy. As a retailer, you need to have more customers than you can remember. That’s the whole point of your own business—growing it. Moving functions into the hands of others. Enjoying what you earn. But without automation, income is limited by how fast other people can write, and what you can remember. That’s no way to retire early!”

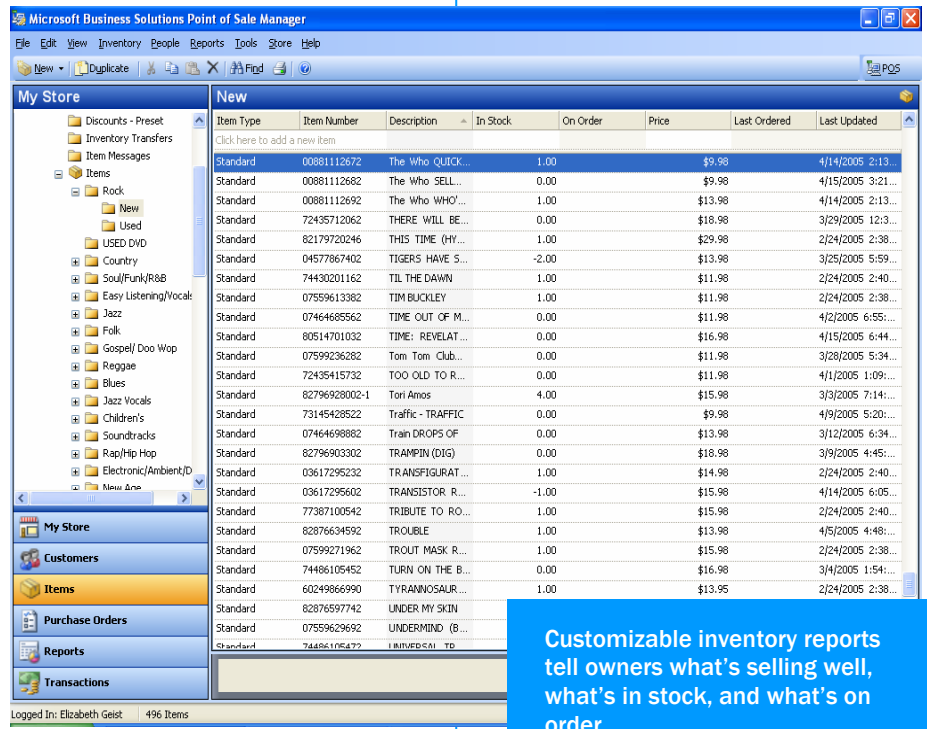
Solution

After years of mulling over the pros and cons of a retail management system versus running the store by “living here,” the Geists found the stakes raised. “The birth of our second daughter showed us we couldn’t live at the store,” says Beth. “Yet we couldn’t imagine being away from it without a support system more powerful than our ECR and paper trails helping us watch the business.”

Early Auditions

“We kept looking because we figured we’d spend \$8,000 to \$12,000 for a system. We weren’t sure we could justify it financially,” said Rick, who surveyed many systems. “We use QuickBooks Pro for accounting and know its ways. But when I auditioned QuickBooks Point of Sale, I found it confusing. I couldn’t see struggling with it to manage the store. We didn’t want to get software off a shelf, and then be all alone for its installation and for tailoring it to our ways of business.”

“We were also familiar with the feel of other Microsoft® products, like [Microsoft] Word, Outlook®, and Excel. In a POS [Point of Sale] system, Microsoft gives you the best combination: comprehensive tools you can learn and teach, and professional help to



Customizable inventory reports tell owners what’s selling well, what’s in stock, and what’s on order.

“I admit we had to do a lot of new data entry, but that’s a one-time task that you can at least partially automate using vendors’ Web sites and CD-ROMs. Retailers need to do this because, once it’s done, your whole business gets a lot easier, a lot cleaner, and a lot simpler. I highly recommend it.”

Rick Geist, Co-Owner, The Landing Music, Ltd.

install and set up. Its price is in line with lesser systems, but you get more—and I can buy hardware wherever I want.”

Tuning Up

With the help of a Microsoft Certified Partner, The Landing implemented its two-PC Microsoft Point of Sale solution in mid-February 2005. The front PC serves as a register, takes special orders, and handles some inventory chores. The back-office PC handles most of the receiving, and Beth has a notebook PC at home she will use for remote access to the actual program.

“I can’t believe we put it off so long,” says Rick. “Our Microsoft Partner, Husa & Company, has been great. Darwin Husa had nearly every answer and found out anything else. And we got quick help from Microsoft.” Husa’s experience as chief technical officer for a large accounting firm helped make business processes efficient and compliant.

Beth admits, “It’s ludicrous having so many unique items. We had lots of catching up to do when we first entered inventory, especially since we had never tracked any UPCs [universal product codes]. We spent one and a half days getting inventory ready and entering it, but that’s a one-time task, and this is so worth it. Now we have access to everything, and new merchandise gets added as we receive it.”

Rick says they initially had concerns about extra costs paid to the Microsoft Business Partner. “Today, understanding what they can do with the system, and how quickly they can do it, they very well justified their cost.”

Crescendo

The PC in back and the one in front are networked so counter staff can see what’s low, and what’s on order. Remote access capability will allow visibility from a home computer. A laptop can be used with a

scanner for physical inventory, and all information goes into one central database.

“Getting everyone in sync on the new system was fast,” says Beth. “For most, knowing Microsoft products made the transition painless. The system is intuitive because everything is where you expect it to be. One excellent employee wasn’t keen on computers. When he heard about a new system, he told us he couldn’t learn it and would have to find a new job. In a couple of days, he was saying he couldn’t believe it had been so easy to learn.”

Benefits

“We were on pen and paper for ten years, so the before-and-after couldn’t be more dramatic,” says Beth. “Everybody was a little wide-eyed at our new checkout speeds,” says Beth. “Even returns are easy. Handling and mixing different tender types, adjusting quantities mid-sale, managing different discounts for different circumstances, and having a record of it—it’s all very quick and straightforward,” says Beth.

Touching the Audience

Rick says, “The touch screens make counter processes move really fast. It’s just ‘scan, look, touch.’ I didn’t know how fast it could be. When a customer comes up with 20 to 30 items, you don’t write each one down. I scan them in and make any adjustments with the touch screen. Even figuring out-of-state tax rates for mail orders is easy. And big customers and big purchases always get the right discount.”

Rick reports, “We love having an itemized receipt exactly spelling out any discount—instead of a nondescript ECR receipt that didn’t even say ‘The Landing’ on it.”

The Landing uses customer and sales data, automatically logged at the POS, to track exactly what each customer buys. “We ask

everyone to be in our database, and almost everyone agrees. This lets me suggest lesser-known works appropriate for that customer.”

“When we saw that so many older and imported items don’t have standard UPC bar codes, we made up our own and printed bar-coded labels for them. We can track them as closely as we choose.”

Rick also likes the impression that a retail system leaves with customers. “Its speed and accuracy gives us a professionalism that customers like. They comment on it. The system, our huge and well-organized inventory, and our changing décor all show that we’re not a struggling little shop.”

Rick is building a store Web site, primarily for information and to advertise the store’s ambience and special-order capabilities.

Staying in Sync

“I love having instant, on-screen reports on top sellers, slow movers, and who sold what,” says Beth. “I watch reports a couple of times a day to see what’s selling because occasionally my best guess misses the mark and I get a surprise. I never thought I’d need sales by the hour, but seeing them now tells me we might change hours or staffing to match customer load.

“I can put in special orders and regular purchases very quickly. Many need extra attention because new vinyl producers aren’t always timely with deliveries and complete shipments. Now I can predict an album that’s not getting a lot of company hype but will still sell, like Beck’s ‘Guero.’ I don’t run out because I prepare for what customers want.”

“We always did physical inventories of the store,” Beth says, “but not as frequently as we should have. We were good at eyeballing, but really had to stay on top of things with frequent trips around the store to check the

bins—and we were still relying on best guesses. So ordering new albums was always our best guess.

“Now, to see what I need, I don’t have to squint at everyone’s handwriting, then compile all the sales of Neko Case or Jesse Sykes. Microsoft POS tells me what sold, therefore what to order.

“Our new accountability is a huge benefit. Being able to keep track of employees when owners are not at the store, I can see who’s taking a long lunch hour; and that really can impact why we’re not selling on a given day. This system watches all the avenues for possible shrink—cash, orders not rung up, accidental miscounts of product or tender, loss of shelf merchandise, incomplete orders, albums that don’t make it to the shelves. With today’s employees, shrink isn’t a problem, but this helps keep watch and puts future staff on notice.”

Beth reports that she “got a jumpstart on sales taxes this month by pushing two buttons in Microsoft Point of Sale. Taxes used to take me 30 to 60 minutes; today it was under five. Quarterly taxes usually take me several hours. Now I can’t wait to see how fast they get done!”

Conducting Business

“We save a hundred dollars a month on credit card costs,” says Rick, “using Citibank merchant services through Microsoft POS over our old company. We also had no PIN pad before, and they ‘dinged’ us for that. Now every purchase over \$30 saves us money when customers punch in their PIN.” He expects to reduce bookkeeping and accounting costs by providing cleaner numbers to outside professionals.

Beth reports shaving hours from part-time staff, while spending fewer hours at the store. “Which is actually two benefits,” she says.

“I got my life back.... I can drive my kids to the park or go out of town for a wedding, and I don't worry. I don't get calls at home when a customer says he always gets a discount. It's all in the system. It's like being there when I'm not!”

Beth Geist, Co-Owner, The Landing Music, Ltd.

The Final Act

“I got my life back,” says Beth. “I can volunteer at my daughter's school and not feel guilty about not watching the store. I can drive my kids to the park or go out of town for a wedding, and I don't worry. I don't get calls at home when a customer says he always gets a discount. It's all in the system. It's like being there when I'm not!”

“No matter what happens when I'm gone, there's always a record. Sure, a mistake could happen, an upset customer, or an album we misclassify. But I can always sort it out when I get in—or when I access store records remotely using my laptop.”

“I only wish we had done this four years ago!” says Rick. “It would have made our lives easier and would have helped us grow faster. I'd tell any retailer to take the plunge for a modern management system. Looking back on how Microsoft Point of Sale has simplified things, has allowed us to keep more accurate records, saved us time and money—I can't believe we waited this long”

Rick offers advice to other retailers in their conversion to a retail system. “I admit we had to do a lot of new data entry, but that's a one-time task that you can at least partially automate using vendors' Web sites and CD-ROMs. Retailers need to do this because, once it's done, your whole business gets a lot easier, a lot cleaner, and a lot simpler. I highly recommend it.”

Beth adds the coda, “Now there's nothing a customer or vendor can throw at me that I can't handle!”

For More Information

For more information about Microsoft products and services, call the Microsoft Sales Information Center at (800) 426-9400. In Canada, call the Microsoft Canada Information Centre at (877) 568-2495. Customers who are deaf or hard-of-hearing can reach Microsoft text telephone (TTY/TDD) services at (800) 892-5234 in the United States or (905) 568-9641 in Canada. Outside the 50 United States and Canada, please contact your local Microsoft subsidiary. To access information using the World Wide Web, go to www.microsoft.com

For more information about J.D. Associates, your local Microsoft Business Partner, call (800) 564-4488 or visit the Web site at: www.jdassociates.com

For more information about The Landing Music Ltd. products and services, call (206) 524-5747 or visit the Web site at: www.thelandingrecords.com

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.microsoft.com/pos

Software and Services

- Products
 - Microsoft Windows® XP Professional SP2
- Solutions
 - Microsoft Point of Sale

Hardware

- Pioneer POS PC; Celeron 1GHz processor, 256Mb RAM, 20Gb hard drive
- Epson TM-T88III printer
- MMF Val-u Line cash drawer
- Logic Controls PD3000 pole display
- Elo AccuTouch 15" touchscreen with magnetic stripe reader
- Cherry compact keyboard
- Symbol LS 2208 Scanner
- VeriFone 1000 SE PINpad

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