



## Microsoft Business Solutions Retail Management System Customer Solution Case Study



## On the Road with Microsoft Business Solutions for Retail Management

### Overview

**Country or Region:** United States

**Industry:** Retail

### Customer Profile

Action Performance sells licensed motor sports merchandise at NASCAR, Busch, and Winston Cup races from a fleet of roving tractor trailers that convert to retail stores at racetracks.

### Business Situation

Revenues were high; merchandise and cash and controls were wobbly. Customers demanded faster transactions. Executives and sales partners needed sales visibility and specific stock levels on each product.

### Solution

In four months, Action's new Microsoft® retail solution was reconciling sales totals, sending headquarters true stock levels, and turning out verifiable reports for partners.

### Benefits

- Wireless sales under eight seconds
- Hot products kept in stock
- Purchasing done by the numbers
- Less loss from bad credit cards
- Reports provide accountability and money trails

“After three races, we knew we'd picked a winner.”

John Bickford, Sr., Vice President, Action Performance Companies, Inc.

Action Performance Companies, Inc. leads the motor sports memorabilia and clothing industry with U.S.\$750 million in sales. The company handles 60 percent of the top race drivers.

"We had 33 stores that moved every week. Their inventories were mutually exclusive. Demand changed constantly. And trusted employees were our cash management system," says John Bickford, Sr., Vice President, Action Performance, Inc., describing his previous retail situation.

Using Microsoft Business Solutions for Retail Management has enabled Action Performance to execute sales transactions in eight seconds, process credit cards in six seconds, and trigger sales by scanner. The system's deep feature set will accommodate future growth and shifting business climates, as it enables new ways to merchandise products.



"There's no way a box can 'fall off a truck' and not be traced back. Our stockholders and CPAs love our new accountability."

John Bickford, Vice President, Action Performance Companies, Inc.

## Situation

Wise product choices and merchandising have kept Action Performance Companies, Inc. flourishing. With market capitalization exceeding U.S.\$750 million, the company went public and joined the New York Stock Exchange (NYSE) (symbol: ATN) in February 2002. Action Performance is one of the industry leaders in the design, marketing, and distribution of licensed motor sports merchandise including apparel, die-cast car replica collectibles, and memorabilia.

One vital distribution channel is its roving fleet of 33 tractor-trailer rigs. Each semi transforms into a store, branded exclusively to one team or driver. Action Performance serves 38 NASCAR, Busch, and Winston Cup races and handles 60 percent of top drivers.

### Late Data, Lost Sales

"Sales reports were fuzzy and came into our Charlotte, North Carolina, headquarters a week later," says John Bickford, Vice President, Action Performance, Inc. "In an industry where products go hot or cold overnight, and demand varies by city or season, we guessed at inventory levels. Every year brings new products, paint schemes, and sponsors. You knew a product was successful because you were fresh out of it when people had money in their hands!"

"We left money at every race," says Chris Williams, Trackside Director, Action Performance, Inc. "There is a three-hour sales window before a race—that's it. We have 30 customers waiting before we open. At peak times, they bunch up 15 across and 20 deep. Nobody could write receipts fast enough. Too many people left without buying."

### Remote Locations a Problem for Credit Card Transactions

Remote locations made credit card transactions troublesome. If Action Performance didn't take credit cards, it cost

the company money; but so did processing the credit card through a cell phone at three minutes per card. Action Performance also lost money, \$50,000 to \$60,000 a year, from declined credit cards.

## Solution

Vendor proposals to fix problems failed Williams's point-of-sale (POS) standards and Bickford's need for indisputable and elastic reporting. The prime focus for a solution needed to be accurate, real-time, fleetwide stock levels on every product and driver, from bumper stickers to \$400 leather jackets. Headquarters in Charlotte, North Carolina, needed the power to easily change prices overnight on thousands of specific SKUs in selected trailers.

Williams required transactions to move from tender to sales slip in eight seconds. POS training could not exceed five minutes. The solution also required communication to be wireless, reliable, and secure. Hardware had to be compact and able to survive weekly road trips. When Mike Nicholson, Vice President of POSitive Technology, assured Bickford and Williams that Microsoft® Business Solutions for Retail Management could handle every information requirement, they said, "Show us!" Nicholson watched, sold merchandise, and took notes for nine weekends. He defined a complete system that POSitive's teams in Gaithersburg, Maryland, and Phoenix, Arizona, designed and implemented to his specifications.

Summer 2001 brought the first test. Transactions were executed in eight seconds. Learning cash sales meant triggering the scanner and pressing a button. Credit cards required six seconds and two buttons. Reports matched revenues to items scanned, and the reports could be sorted by any set of fields. It was especially comforting to Action Performance that the Microsoft Retail Management deep feature set had the

"We used to have a paperwork nightmare! I was always uneasy that I'd overlooked something. I sleep better now. There are no unanswered questions."

John Bickford, Vice President, Action Performance Companies, Inc.

capability to accommodate growth, a shifting business climate, and new ways to merchandise. Action Performance signed off. Currently, every Action Performance trailer runs Microsoft Retail Management Store Operations, Microsoft® Windows® 2000 operating system, and Microsoft SQL Server™. After each sales day, information is fed to Microsoft Retail Management Headquarters, the multistore management solution centrally installed in Charlotte. At headquarters, a server runs Windows 2000 Server with Microsoft SQL Server 2000. Microsoft SQL Server has proven far more reliable, secure, and scalable than past database management systems.

Nightly data interchange adequately enables stock balancing among trailers, replenishment from huge warehouse trucks, and just-in-time shipments from suppliers to the next venue.

### Benefits

Action Performance continues to appreciate the benefits received from its Microsoft Retail Management solution:

- **Faster transactions, higher sales**—Transactions completed in only eight seconds allow more people to purchase items, resulting in increased sales. Sales statistics help define equitable deals with teams and drivers, and because employees have sales incentives, they are spurred on by hourly totals.

"We're all business behind the scenes," reports Bickford, "but better sales speed actually enhanced our carnival atmosphere. It's entertainment to buy from us."

- **Minimal staff training**—Sales employees only need to know how to push a few buttons in order to complete both cash and credit transactions.

- **Reduced credit card losses**—Credit card losses were \$50,000 to \$60,000 prior to implementation. This amount has declined dramatically.
- **Accurate inventory**—With real-time inventory, Action Performance knows what inventory is where and how to replenish it for the next race. Action Performance will be able to check item sales by month and by racetrack to predict what items to stock and when to hire extra help.
- **Improved financial accountability**— "There's no way a box can 'fall off a truck' and not be traced back. Our stockholders and CPAs love our new accountability," Bickford says.

"After three races, we knew we'd picked a winner," Bickford says. "We accelerated full implementation to late May." Characteristic of a racing-oriented company, Action Performance videotaped transactions before and after the new system, and then clocked the results. Sales transactions are way up.

"We used to have a paperwork nightmare! I was always uneasy that I'd overlooked something," says Bickford. "I sleep better now. There are no unanswered questions."

## 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](http://www.microsoft.com)

For more information about POSitive Technology products and services, call (888) 706-9989 or visit the Web site at: [www.positivetechnology.com](http://www.positivetechnology.com)

For more information about Action Performance Companies, Inc. products and services, call (704) 454-4013 or visit the Web site at: [www.action-performance.com](http://www.action-performance.com)

## Microsoft Business Solutions for Retail Management

Microsoft Business Solutions for Retail Management offers a complete store automation solution for small and medium-sized retailers, streamlining point-of-sale (POS), customer service, and store inventory management, and providing real-time access to key business metrics. Microsoft Retail Management System is a comprehensive solution for single-store and multi-store retailers that empowers independent proprietors, store managers, and cashiers through affordable and easy-to-use automation. Microsoft Retail Management has the flexibility and scalability to grow with a retailer's business. It works with the Microsoft Office System, Microsoft Windows Small Business Server, and leading financial applications to provide end-to-end support from the cash register to the back office.

For more information about Microsoft Retail Management, go to: [www.microsoft.com/pos](http://www.microsoft.com/pos)

© 2004 Microsoft Corporation. All rights reserved.

This case study is for informational purposes only. MICROSOFT MAKES NO WARRANTIES, EXPRESS OR IMPLIED, IN THIS SUMMARY. Microsoft and Windows are either registered trademarks or trademarks of Microsoft Corporation in the United States and/or other countries. The names of actual companies and products mentioned herein may be the trademarks of their respective owners.

Document published October 2004

### Software and Services

- Products
  - Microsoft SQL Server 2000
  - Microsoft Windows 2000 Professional
  - Microsoft Business Solutions for Retail Management

### Hardware

- Compaq servers
- Pioneer touch screen POS units
- POSitive Technology satellite uplink
- Star high-speed receipt printers
- Symbol laser barcode scanners

**Microsoft**<sup>®</sup>