



Overview

Country or Region: United States
Industry: Retail

Customer Profile

Grand Canyon Association's (GCA's) six stores sell 800,000 gift, souvenir, and literature items through 300,000 transactions annually. Since 1932, GCA has provided more than U.S.\$20 million to National Park Service.

Business Situation

GCA needed clear data paths and audit trails between stores and the warehouse, and reliable monthly financials for the National Park Service. A previous custom system could not be upgraded.

Solution

GCA selected an all-Microsoft® solution after consulting retailers and other park managers, and reviewing ten point-of-sale (POS)/retail management/accounting solutions.

Benefits

- Saved \$40,000 in consulting costs
- Increased profits by 52 percent
- Tight stock levels cut expenses, storage
- Automated orders speed product flow
- More adaptable than custom system

Grand Canyon Association Increases Daily Sales and Cuts Costs Using Microsoft Solution

“Coupled with other management cost-cutting measures, Microsoft Retail Management System helped us achieve a 52 percent increase in net profit within one year.”

Brad Wallis, Executive Director, Grand Canyon Association

When Grand Canyon Association (GCA) began as a non-profit organization in 1932, no one foresaw that its six book and gift stores could complete 10,000 transactions daily and 300,000 annually. Today, 40 staff members sell maps, posters, calendars, DVDs, T-shirts, videotapes, and books about the canyon's geology and wildlife.

But significant bugs in GCA's retail management system sapped tens of thousands of dollars per year in maintenance. Upgrades were technically and financially impossible, yet management needed communication to and from each store with the ability to send timely financial data to the National Park Service.

Microsoft Business Solutions Retail Management System and Microsoft Business Solutions Project Management and Accounting–Great Plains now deliver faster transaction times, chainwide stock visibility, customizable reports, and fast turnaround for monthly financials.



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Situation

Since 1932, Grand Canyon Association (GCA) has contributed more than U.S.\$20 million to support education, research, and other programs that benefit Grand Canyon National Park and its visitors. GCA publishes much of what it sells, supports surveys and research, funds library acquisitions, and produces free publications and exhibits.

“Ours is a high-volume operation,” says Brad Wallis, Executive Director, GCA. “But we couldn’t integrate data in any direction—not between POS and accounting, not between stores and our central office—and it slowed our reporting upstairs.” Last year, the stores sold 800,000 items in 1,000 stock keeping units SKUs, which are also sold through catalog phone orders and over the Internet.

Burdened with Chores

Even though a nonprofit organization needs to shorten tasks to streamline the steps needed to focus dollars on its objectives, the old system gorged daily processes. “Part of our data flow used to be sending orders and reports around our network by fax!” says Wallis. “If you ran out of paper, you could run out of stock. And all that stock had to be centrally received at the warehouse, transferred to stores, and sold.”

GCA’s previous POS/retail management system was a custom package so tightly interwoven into UA Accounting that Wallis says, “We couldn’t do regular upgrades on our accounting system because POS was so heavily integrated. In a custom system you are, by definition, their first beta tester. We were constantly finding new surprises. With constant programming fixes, and travel for the programmers, our annual TCO [total cost of ownership] averaged tens of thousands of dollars.”

“What I saw,” he says, “was our people serving the POS system rather than the POS serving our needs. Accounting software was the same story, people working around the system rather than working with it.”

Obsolete Technology

John Frazier, IT Director, GCA, says, “The previous system did not use object linking and embedding for POS (OPOS) drivers for POS peripherals nor did it have integrated credit card processing, but further customization was costly. If we wanted new features, we had to pay for them. We always had to calculate the cost of adding features versus the benefit we would derive from those features.”

“In any retail system where the POS and accounting software were not designed to operate together, extensive patches are required to get them to talk to each other, and any amendment to one portion of that system requires alterations to the entire package, which again becomes very expensive,” explains Frazier.

“These factors and costs made our old system obsolete. Endless patches, system reboots and associated costs to bring specialists back and forth from surrounding communities actually forced it out.”

Solution

As part of a 68-park network across the country, Wallis and Frazier were able to compare notes with their opposite numbers in other parks and with other retailers. Frazier reports, “We looked at potential solutions for POS and accounting from Retail Pro, CAM Data, CounterPoint, Keystroke, Cougar Mountain, COMCASH, Tundra POS, MAS 90, and QuickBooks. Some could not provide communications between stores and our central office while others had older database technology that could not handle our volume.

“[W]e love Microsoft Retail Management System....I estimate it saved us at least \$40,000 in programming and development costs the first year.”

Brad Wallis, Executive Director, Grand Canyon Association

“Though it was absent in other products, reliable data interchange between store databases and our central office became possible using Microsoft® Business Solutions Retail Management System and Microsoft Business Solutions Project Management and Accounting–Great Plains®. We saw how that combination could generate automated daily transfer orders in a way that other systems could not.”

A Stable Solution

Some of the hard lessons learned were applied by seeking a standard solution running on a common database. When component parts shared sufficient characteristics, GCA could interoperate and easily updated them. Finding that Microsoft Retail Management System and Microsoft Project Management and Accounting are built on Microsoft SQL Server™ 2000 for data volume, stability, and interconnectivity was a large factor in GCA's decision.

“We reviewed many product alternatives,” says Wallis, “and chose end-to-end Microsoft, partially because we felt this developer would provide better support and system upgrade capability compared to other companies. We placed a very high value on the potential for product longevity, long-term support, and upgrades.”

The Right Team

“POSitive Technology was the most experienced vendor we could find for the Microsoft products,” says Wallis. “They had an office in Arizona, which would keep costs down.”

“The install was flawless,” says Wallis. “We closed one night under the old system and opened the next day on Microsoft Retail Management System. Ron Burnes, our POSitive Technology Account Representative, was very helpful in shepherding [us] through

the entire process and has been very helpful since then.”

Running with the Right Equipment

Frazier reports that GCA has four Dell servers running Microsoft Windows® 2000 Server with Active Directory® directory service. Store registers are Dell PCs running Windows 2000 Professional, with an upgrade planned to Microsoft Windows XP Professional. Office PCs are from Dell and are currently running a mix of Windows 2000 and Windows XP operating system. The POS and Microsoft Project Management and Accounting databases are on a RAID 5 machine.

GCA runs a mail server with Microsoft Exchange 2000 Server for Microsoft Outlook® messaging and collaboration client. The warehouse and largest store trade business data with the main office by T-1 lines, two stores connect by DSL, and three remote stores dial in nightly.

Benefits

“In a nutshell, we love Microsoft Retail Management System,” says Wallis. “It is an outstanding product. The transition from a custom application was a great step forward in terms of functionality and a great cost savings as well. I estimate it saved us at least \$40,000 in programming and development costs the first year.”

“Coupled with other management cost-cutting measures, Microsoft Retail Management System helped us achieve a 52 percent increase in net profit within one year.”

Express Learning

GCA now has 35 staff members trained on the system. “Our front line staff love the new system,” says Wallis. “By speeding up transaction time, Microsoft Retail Management System allows our clerks to spend more time talking with and cross-

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Brad Wallis, Executive Director, Grand Canyon Association

selling other products to visitors. The clean, simple sales screen makes it easy to learn, accurate, and quick.

“The irony,” says Wallis, “is that even though these Microsoft products are ‘off the shelf,’ they provide us more information than our custom system did, and at far less cost.”

Out of the Past

“Daily faxes to chase stock are a thing of the past,” says Wallis. Microsoft Retail Management System now automates ordering. “Where the previous system required cumbersome paper flow, new automatic purchase-order generation has improved inventory accuracy and just-in-time replenishment. The creation of orders to replenish our stores from the warehouse has been greatly streamlined.”

Delivery Improves

Having accurate stock levels is vital because many GCA stores lack storage space so items must be restocked daily from a central warehouse using the automated order system. Stores and the warehouse continually use the transfer order feature. Management employ Headquarters updates product information such as prices and bar codes.

Says Wallis, “The new system has helped us improve inventory management and reduce overall inventory levels while maintaining required stock levels at the stores. That change translates into cash in the bank, especially during slower winter periods.”

As overall system manager, Frazier says, “I use the sales reporting modules every day to track sales activities in our outlets. We have developed custom reports that I review daily. We even look back on the history of item changes sent to the stores, transfers of product, and detailed logs of the synchronization between headquarters and

the stores. This information helps me identify and troubleshoot potential problems either with staff, inventory delivery, or other issues so I can respond as quickly as possible.”

Into the Future

Frazier says, “We plan to move to Windows XP next year, probably to Windows Server 2003, and we may replace the Headquarters server.”

GCA plans to integrate Web sales, phone orders, memberships, and class registrations into Microsoft Retail Management System. GCA also plans to take advantage of system’s customer relationship management features.

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 POSitive Technology products and services, call (888) 706-9989 or visit the Web site at: www.positivetechnology.com

For more information about Grand Canyon Association products and services, call (800) 858-2808 or visit the Web site at: www.grandcanyon.org

Microsoft Business Solutions Retail Management System

Microsoft Business Solutions Retail Management System 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 System 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 System, go to: www.microsoft.com/pos

Software and Services

- Microsoft Windows 2000 Server
- Microsoft Exchange 2000 Server
- Microsoft SQL 2000 Server
- Microsoft Windows XP Professional
- Windows 2000 Professional
- Microsoft Windows Mobile 2003 Software for Pocket PCs
- Microsoft Business Solutions Retail Management System
- Microsoft Business Solutions Project Management and Accounting—Great Plains
- Microsoft Office XP Professional
- Microsoft Windows Server™ 2003

Third-Party Software

- Trend Micro NeatSuite
- Veritas Backup-Exec
- Blackbaud Raiser's Edge
- Miva Merchant

Hardware

- Dell PowerEdge 2400, dual-Pentium 733 processors, six 18GB SCSI drives, RAID 5 array
- Dell PowerEdge 600SC, RAID 1
- Two Dell PowerEdge 500SC, RAID 1
- Dell OptiPlex 240s, 260s and 270s
- Quantum DLT tape backup
- Star thermal receipt printers
- Bar code scanners, cash drawers, and credit card mag-stripe readers

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