



Microsoft Business Solutions Retail Management System Customer Solution Case Study



Gift Retailer Doubles Sales through Efficiency, Interoperability, and Multiple Channels

Overview

Country: United States

Industry: Retail

Customer Profile

The United States Navy Memorial Foundation staff manages 5,000 SKUs of memorabilia on shelves and through custom orders sold through brick-and-mortar, catalog, and Internet sales.

Business Situation

A reputable competitive retail system was just 12 months old but lacked the features to support the non-profit's mission and its vision of growth.

Solution

Revenues proved management right. Microsoft® Retail Management System provided rock-solid stability and integration with the accounting system.

Benefits

- Business doubled in a year.
- System crashes ceased.
- Integration with accounting system tightened through shared database.
- User security levels enhanced.
- Inventory and purchasing effectively managed .

“Microsoft Retail Management System enabled us to double sales.”

Tom O'Rourke, Director of Retail Operations, United States Navy Memorial Foundation

United States Navy Memorial Foundation sells “sea services” souvenirs and memorabilia through its store, phone orders, and Web sales.

When a year-old retail management system slowed growth and began to founder frequently, this non-profit organization made the tough decision to upgrade.

Changing course to Microsoft® Business Solutions Retail Management System brought inventory in line, doubled sales, impressed customers with instant purchase histories, and delivered complete system stability.



“The power that Store Operations gave us—compared to other retail systems—is the same quantitative jump that Windows gave us compared to [Microsoft] MS-DOS. It's *that far ahead.*”

Tom O'Rourke, Director of Retail Operations,
United States Navy Memorial Foundation

Situation

The United States Navy Memorial Foundation (USNMF) sells more than 5,000 stock keeping units of U.S. Navy, Marine Corps, and Coast Guard memorabilia and collectibles. USNMF's 12 system users include management, technical, finance, and full- and part-time clerical staff.

Although the previous system retail management was just a year old, the growing store needed more merchandising and reporting flexibility, as well as integration with other systems to gain the efficiency needed to expand sales and revenues. The consensus was that a new system would better serve the foundation's missions.

“We spend money very carefully because we're a non-profit,” explains Tom O'Rourke, Director of Retail of Operations at USNMF.

“Yet business sense told us the previous system would never meet our demands for growth. As a 30-year veteran of retailing, I've used many, many systems.”

“We use Blackbaud Accounting for Non-Profits,” O'Rourke reports, “and our accounting staff needed to be able to view and extract data directly from the retail system. They wanted to handle all customer records, stock purchasing, and have security tools to control access to the system on an as-needed basis.”

Growth and customer-service demands required tighter inventory control to know total on-hand stock versus which items were heavily committed. While the store's neat shelves are kept brimming, many custom items need to be special ordered. Management wanted sales from additional sales channels: catalog, members-only newsletter, Internet, and telephone.

“With the old system,” says O'Rourke, “we'd still be trying to figure out our stock.” And

frequent system crashes were stopping operations throughout the store.

Solution

“I've been a serious student of big retail successes all my business life,” O'Rourke says. When O'Rourke picked Microsoft® Business Solutions Retail Management System, he had Microsoft Partner, POSitive Technology, set up Store Operations as a franchise system. Store Operations is the store-level solution that manages individual retail locations.

“From an information standpoint,” he says, “I felt Store Operations' superior architecture would make the size of our chain a non-issue. Store associates and back-office people can learn one system and stick with it as your chain grows.”

“Competitive systems I examined were okay for short-term retail needs,” O'Rourke says. “Microsoft goes beyond that and preps you for future growth, for the unexpected, and for interaction with other software. It combines the best of modern computer science and retail experience.”

Benefits

“Microsoft Retail Management System enabled us to double sales. Last year it replaced a competitive point-of-sale system installed less than 12 months earlier. Our 2002 sales records would never have been possible without Store Operations' efficiency,” says O'Rourke.

“We've had zero crashes with this retail system and Microsoft Windows® 2000 [operating system],” says John Holloway, System Administrator for USNMF. “Windows 2000 has boosted our stability and is the IT business environment of choice. This installation is unbelievably rock-solid.”

“Store Operations is the heart of our entire circulatory system here because literally everything goes through it: in-store sales, catalog sales, newsletter sales, Web sales, purchasing... everything.”

Tom O'Rourke, Director of Retail Operations,
United States Navy Memorial Foundation

“I live this system,” says O'Rourke, “It gives the staff smooth, seamless transactions and easy access to a broad base of management data, while I get fast customer information. On the phone, with two clicks in 20 seconds, I can track a customer's open shipment—or pull up a two-year-old order—before they finish describing it. That boosts credibility, reputation, and sales. First-time customers become regulars, and then word-of-mouth advertisers for us.

“Retailers monitor the cost of converting a shopper into a customer, a customer into a client. In that alone, Store Operations paid for itself in a few months,” says O'Rourke.

Thoughtful Investment

“Store Operations is the heart of our entire circulatory system here,” O'Rourke says, “because literally everything goes through it: in-store sales, catalog sales, newsletter sales, Web sales, purchasing...everything. It's all there for review or analysis in a few mouse clicks!”

USNMF's broad-based sales increased more than 100 percent in 2002—yet stock on hand rose far less. One terminal averaged sales of over 600 items a day during the holidays. Most items are stocked in-store but some, like caps for 10,000 ships, must be custom-ordered. O'Rourke says, “The system handles those oddities and is virtually paperless until you want a hard copy.”

“It's easy for me to police vendors and monitor pricing,” says O'Rourke. “In about seven minutes, recently I set up a brand-new vendor, placed an order for a standard product, and referred all relevant purchase orders to that vendor.”

Technically Speaking

“We saved extra money,” Holloway explained, “because POSitive Technology put in six

Windows 2000-based workstations instead of a server. Setting up this system as a Windows workgroup, not a Windows domain, helped us retain money we would have spent on another copy of SQL Server™ 2000. The flexibility of Microsoft Windows 2000 and SQL Server 2000 enables that configuration to work very well. We run a client/server environment from a workstation.”

Holloway finds Microsoft Retail Management System easy to configure and add and subtract users. “But I spend very little time with it. I get called up for printer changes and expansions, but no hassles or babysitting.” Six workstations are registers, and two double as management PCs.

Holloway adds, “I feel very confident about employee security tools in this system.” He appreciates the ease of doing backups and working with its files. Accounting staff use Microsoft Windows XP Professional [operating system] and constantly reach into Store Operations for data.

Interaction

“We use Blackbaud Accounting for Non-Profits,” says O'Rourke. “Store Operations keeps inventory up-to-date because all transactions reside in one SQL Server database. We instantly know what's low and what our 'committeds' are. So we know when to issue a purchase order, and for what. We export data to Microsoft [Office] Excel [2003] for further financial analysis and we interact with Microsoft Office Word [2003] for mailings.

“The power that Store Operations gave us—compared to other retail systems—is the same quantitative jump that Windows gave us compared to [Microsoft] MS-DOS® [operating system],” says O'Rourke. “It's *that* far ahead.”

For More Information

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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 United States Navy Memorial Foundation products and services, visit the Web site at: www.lonesailor.org

“But the bottom line here,” he says, “is that we constantly get e-mails and letters from thrilled customers grateful for fast service on our products. We couldn't serve this many people this rapidly, this reliably, without Microsoft Store Operations.”

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

- Products
 - Microsoft Windows XP Professional
 - Microsoft Windows 2000 Professional
 - Microsoft SQL Server 2000
 - Microsoft Business Solutions Retail Management System
 - Microsoft Office 2003 Professional Edition
- Third Party Software
 - Blackbaud Accounting for Non-Profits

Hardware

- Compaq server
- “White box” PCs for register and back office
- Metrologic scanner
- Epson receipt printer

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