



Microsoft Business Solutions Retail Management System Customer Solution Case Study



Faster Task Times Cut Staff by Half and Give Instant Answers on High-End Gifts

Overview

Country or Region: United States
Industry: Retail

Customer Profile

World Lux sells a wide range of luxury men's accessories through their mail-order catalog, Web site, and downtown retail location in Seattle, Washington.

Business Situation

Two previous retail management systems either lost data or were troublesome to use. Staff had to spend too much time navigating the system and figuring out how to perform their tasks.

Solution

Microsoft® Business Solutions Retail Management System solved stability problems and gave users instant access to needed information. Microsoft Partner Service Communications wrote system interfaces for online and telephone sales and shipping.

Benefits

- No lost data.
- Every system interaction is quicker.
- Requested data is readily available in understandable reports.
- Staff instantly know stock availability, order status, and product data.

“Microsoft Retail Management System shortens our tasks markedly in every department. We get reports—the way we want them—and we know we can take them to the bank or the stockroom with confidence.”

Nate Hogle, IT Director, World Lux

World Lux customers buy fine pens, watches, men's jewelry and fragrances, plus smoking, leather, and desk accessories. Clients expect the best in merchandise, service, and cost efficiency. But two clumsy and crash-prone retail systems cost the company data, merchandise, customers, and margin. World Lux penned specifications that required a chronograph's accuracy, split-second reliability, and elite customer service. Microsoft® Business Solutions Retail Management System speeds input, eliminates double work, never loses data, and gives the World Lux President Todd Craver “amazingly flexible reporting on every corner of the business.”



“Our team can instantly check stock, find product specifications, handle returns, check past purchase history, and import orders directly into the [POS] system—at last.”

Todd Craver, President, World Lux

Situation

“No retailer can manage efficiently,” says World Lux President Todd Craver, “when the IT system loses inventory, when you can't get the reports the way you want them—and when you can't believe the ones you get. Customers get impatient when you don't know what's in stock and can't find their last order.”

The previous retail management system's structure was hard to fathom yet its screens looked simplistic. New employees required long training and still couldn't manage their new tasks without coaching. Stock levels in reports rose and fell mysteriously, without corresponding purchases. When physical inventories yielded an exact count, only a few employees could adjust stock levels in the system, and then only in a hard-to-find section of the program.

Nate Hogle, IT Director at World Lux, envisioned tracking exact stock totals by stock keeping unit (SKU) from purchasing through receiving, to sale and eventual reorders. “But we couldn't get traction,” says Hogle. “I couldn't guarantee Todd clean numbers on any SKU more than a week after month-end.”

Additionally, retail's realities of returned merchandise, revised purchase orders, and off-count deliveries further confused inventory levels, delayed new purchase orders, and jumbled customers' purchase histories. “Even if we'd had clean stock levels,” adds Hogle, “the old reports wouldn't let us sort data exactly the way we needed to—and there was no way to customize them.”

World Lux trusted its employees, but the software didn't. Buying from 70 vendors could only be done by two people, focusing that task on employees already overloaded by other bottlenecks. “The only way to see old

purchase orders or merchandise we'd received,” says Hogle “was to write a report and print it. That was so clumsy that we kept lots of photocopies in lots of folders.”

At the point of sale, World Lux relied on a mouse-driven menu. The system featured screens with too few low-resolution icons, and could take 20 seconds to authorize a credit purchase. Hogle says, “We had to hand-enter our Web orders, our phone orders, and then re-enter shipping data for each package. Our accountant and I sent financial reports back and forth for days before our numbers reconciled.”

The system offered no mailing list functions, and it only allowed two addresses per customer. World Lux needed a lot more than that.

“I was constantly on the phone with technical support,” says Hogle, “but the system mystified them like it did us! So their promised customizations were just promises.”

Solution

Today, Microsoft® Business Solutions Retail Management System has completely supplanted all other retail information systems at World Lux. It was installed on 15 machines in two stores and at corporate offices.

World Lux runs the system on three Dell PowerEdge Servers and 14 Dell OptiPlex small-footprint workstations, plus a Dell laptop. It uses Lexmark laser printers. All PCs run Microsoft Retail Management System on Microsoft Windows® 2000 operating system, while the server runs Microsoft Windows 2000 Server operating system.

Microsoft Retail Management System thoroughly manages both brick-and-mortar

locations, plus Web and phone sales. World Lux management generates broad or specific reports by store, department, or nearly any other criteria in the database. The system easily interfaces and sends financial data to QuickBooks 2003 Professional for tax and other financials.

Benefits

"Microsoft Retail Management System

shortens our tasks markedly in every department," says Hogle. "We get reports—the way we want them—and we know we can take them to the bank or the stockroom with confidence."

"[Microsoft] Retail Management System helps everyone work smarter, faster, and more economically. We hire smart people and this lets them use their intelligence where it counts—on business matters and with customers, not fiddling with the system."

"This is the system we have needed for years. It gives me the bulletproof accuracy that IT needs as bedrock," says Hogle. "We need simple, one-time data entry, unequivocal data retention, universal use of that data, and reporting muscle that shows the facts the way different people need them. We got it all in [Microsoft Retail Management System]."

It starts at the point of sale. Hogle reports faster transactions—including recording customer demographics—thanks to smarter screens and cutting credit authorization from "ten or twenty seconds down to a second or two."

"Customer service is the key to our return business and reorders," says Craver. "When customers are happy with our service, they show off our merchandise and tell their friends. Our team can instantly check stock, find product specifications, handle returns, check past purchase history, and import orders directly into the point-of-sale system—at last! We carry great merchandise, but our customers can shop anywhere they choose. We like to surprise them with our service."

"To smoothly accept returned or damaged items gratifies your customers—but it confuses most systems," says Hogle. "Microsoft Retail Management System lets us credit the customer and accurately characterize the item as available for sale,



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Some luxuries are essential

sent to repair, or back to the manufacturer. Inventory stays accurate and that, in turn, defines our purchasing and helps monitor missing items. Our old system would never let us do that, so it lost us money.”

Reports

Microsoft SQL Server™ 2000 open database contains every datum recorded so it enables fast and complete reporting for different retailers' needs. “With [Microsoft Retail Management System], I have complete control over customized reports,” Hogle says. “I create, save, and reuse sales and tax reports, vendor productivity reports, location sales reports and more.

“I e-mail reports to our accountant with complete confidence. I can write an individual customer report at my station, then load that report onto the PC of the sales rep handling that customer. When I need a tricky report, our vendor, Service Communications, writes it, sends it to me, and I reuse it whenever I want.”

Purchasing and Receiving

Hogle says, “This Microsoft system helps us create purchase orders based on predetermined reorder information. If our buyers want, they can set order criteria once, then reorder next month with a few clicks. And we can change that any time. It saves time and empowers staff. Most important is knowing that we're buying what we really need, to help avoid overstocks.

“Microsoft Retail Management System simplifies receiving purchase orders and shipments into inventory. Staff can change the ‘delivered count’ of merchandise in two places in the program. Those manilla folders of purchase orders are gone, because we can pull up a purchase order and compare it to a bill of lading in two seconds.”

Marketing and Customer Contact

One management report might be a list of every customer who ordered diving watches or men's fragrances. That becomes the basis for e-mailers, postcards, or personal letters promoting a special buy or an interesting item that exactly matches buyers' interests. Every communication goes to a likely prospect.

Unlike many, this system accommodates multiple addresses per client, which is important when corporate customers want shipments sent to several offices, and when clients maintain two homes or a vacation getaway.

Learning Curve

“We knew from sales demos that staff could learn transactions literally in minutes,” Craver says. He soon saw how its intuitive interface based on Microsoft Windows brought people rapidly up to speed on stock lookups, order status, and customer histories. “When anyone can do nearly any job in this system, my managers and I don't get dragged away from critical tasks. Our employees teach each other, since nothing is that difficult.”

Time-Saving Interfaces

Compliance with open standards allowed Microsoft Partner, Service Communications (SCI), to customize software interfaces with the World Lux shipping system and Web site. “We just export a few fields to our shipping machine,” Hogle says, “and it creates mailing labels. Our shipping manager was glad to have it when we were surprised with 500 orders on a pen promotion. It's saved us literally hundreds of hours and has cut bad shipments to almost zero. There's no chance for manual mistakes.”

Web and phone orders go directly into the system through the two-way Web interface that SCI wrote. It also verifies stock levels so that the Web site displays correct quantities. “This avoids customer upsets and helps us

make fewer too-small purchases to satisfy a single customer," says Hogle.

The old system needed five employees to keep up with the orders and administration that two accomplish now. Every hour saved helps keep prices attractive and sends profit to the bottom line.

The Right Microsoft Partner

"We have a great working relationship with Service Communications," Hogle says. "Mike Meredith is our single point of contact for everything. He handles system questions immediately, gives me new system ideas, builds the tricky reports, and personally wrote our shipping and Web interfaces."

Mike Meredith, Point-of-Sale Specialist at Service Communications, says, "I've been in POS systems for 25 years and nothing matches this Microsoft system for ease of use and its adaptability to whatever retail brings us tomorrow. It is so open and so obvious to use."

"I didn't even send the programming for the Web and shipping interfaces to our development department," says Meredith. "I wrote them myself."

"I used UNIX and Solaris retail systems for years," says Meredith. "These interfaces would have taken a smart UNIX programmer literally ten times as long as I needed with Microsoft Retail Management System."

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 Service Communications, Inc. products and services, call (800) 488-0468 or visit the Web site at: www.servicecommunications.com

For more information about World Lux products and services, call (888) 585-3579 or visit the Web site at: www.worldlux.com

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 2000 Server
 - Microsoft Windows 2000 Professional
 - Microsoft Business Solutions Retail Management System
 - Microsoft Office 2003
 - Microsoft SQL Server 2000
- Third-Party Software
 - GO Software, Inc. PCCharge
 - Intuit QuickBooks 2003 Professional

Hardware

- Three Dell PowerEdge servers
- 14 Dell OptiPlex small-footprint workstations
- Dell laptop
- Lexmark laser printers