

the magazine for specialty store insights and strategies

specialty insider®

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Is There a Future for Specialty Retailers?



Ron Herman's Views
From his Melrose Place

Parasuco: Beauty
and The Jeans

The **Best Little Lizard**
Lounge *in* **Portland**

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specialty
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The Soft Parade

Arthur Zaczkiewicz

Picking the right software can be a hard task to get right

Exchanging a product for money is the essence of retailing, which is why technology that manages transactions as well as inventory is critical to the success of a small business.

But what should a specialty retailer look for when choosing software solutions?

For point-of-sale technology, service providers and industry experts suggest shopping for solutions that include a service contract. Jessica Larson, tech support specialist at San Diego-based Payments Logistics Ltd., says "support is critical." Just consider what happens if your point-of-sale (POS) software crashes, let's say, on Black Friday, at 7 a.m.

Larson and Matt Bruno, director of sales and marketing at the company, warn that while many vendors offer the popular Microsoft RMS software for retailers, some don't have any tech support. "So, you should research the vendor selling the Microsoft software carefully," Larson adds. Of course, Bruno and Larson also say price and features play an important role in deciding which software to buy. Scalability is also important if your business is expanding. For example, Microsoft RMS has a "headquarters function," which allows owners to centralize functions of multiple stores. Online selling also requires some consideration.

Rick Stanford, senior vice president at Sage North America's Sage Payment Solutions division, based in McLean, Va., suggests teaming up with a full-service provider, one that can be a one-stop shop for processing credit cards, debit cards, and ACH (automated clearing house) payments and check conversions as well as gift and loyalty cards, among other services.

"You may not need all of these payment applications immediately, but electronic payments are rapidly evolving, and being able to adapt quickly and accept all forms and methods of payments is good business planning," he explains.

In addition, Stanford says payment security is equally critical. "Payment security is about technology, so look for large, well-funded vendors that are technology savvy and, most importantly, are PCI (payment card industry) certified," he says.

Stanford and other solution providers also suggest integrating the front-end systems with accounting and business management tools. "With an integrated payment solution at both the retail counter and back-office, you will have increased visibility to your cash position, while eliminating costly and error-prone manual data entry," Stanford adds.

When it comes to ACH processing, Glenn Fromer, director of development at Treasury Software, says electronic transfers are gaining momentum – especially for smaller sized retailers – due to transaction fees of 12 to 15 cents each regardless of the size of the sale. Credit card fees work on a percentage of the sale. Meanwhile, electronic transfers can also be used by retailers to pay their suppliers.

Inventory management is another area that requires thoughtful attention. David K. Williams, chief executive officer of Fishbowl (which offers Fishbowl Inventory, an inventory management solution that integrates with QuickBooks and is scalable), says "Small businesses need to properly manage their inventory in order to maintain profitability and good cash flow. Accurate inventory management helps you eliminate unnecessary purchases and ensures that you have the correct items on hand when needed."

Williams says retailers should look for solutions that meet immediate and future functionality needs. "As a smaller company, you may not need all of the bells and whistles that larger companies do, but as your company grows so will your needs," he explains. "Finding a scalable solution will allow you to incrementally add functionality without major costs, trainings, and installations."

Again, price is also important to consider. The software solutions have to fit your budget. But Williams suggests taking "a little more if a software solution provides a stronger [return on investment]." He says that taking the "time to find and implement the right system will help you save time and streamline overall performance. In the end, it's about increasing productivity and improving the bottom line."



Accounting/Payroll

Intuit

www.intuit.com

POS Software

Microsoft Dynamics RMS

www.microsoft.com/dynamics/en/us/industries/retail.aspx

Card, ACH, Check Processing

Sage Payment Solutions

<http://www.sagepayments.com/>

Treasury Software

<http://www.treasurysoftware.com/>

Payment Logistics

<http://www.paymentlogistics.com/>

POS Specialized

RevolutionPOS

<http://www.revolutionpos.com>

Tax

Vertex

<http://www.vertexinc.com>

Inventory Management

Fishbowl

<http://www.fishbowlinventory.com/>

Phitch

www.phitch.com

