

How ERP can solve Retail Woes

John the Salesman

8 AM

I came into work this morning at 8 am, as usual. When we first opened, the crowd was not very big, which had me worried, but then things really started hopping around 9:00am. I guess our advertising got the word out – the spring sale kicks off today!

10 AM

Everything WAS going well until... We realized that we can't sell anything from the night shift delivery because the new items aren't available in the system, even though some of the products are already on the sales floor. My co-worker started trying to reach Mark – the manager – since he is the only one who can accept deliveries, but then we realized that he's on a flight to Boston for his brother's wedding. My co-worker let me know about the problem right as I was ringing up a customer – who happened to have one of the night shift delivery items in her hands. I was lucky that the sweet lady did not go ballistic and jump over the counter to strangle me when I gave her the bad news. Ah... the Wacky Adventures of Retail....

12 PM

Finally, Mark got off the plane and gave me his password so I could log on to the system and accept the delivery. He was all nervous and apologetic about forgetting to accept the delivery before he left. Everything's going smoothly now. Let's hope we make our goal so Mark won't get into too much trouble for his mistake.

3 PM

Oh Brother! Right as I was about to take my lunch-break (which I was supposed to take at 1pm), I had ANOTHER problem. It started with this rabid Bulls fan who wanted to buy the XXXL-sized t-shirt. He couldn't find it, so he wanted me to check our stock.



Sure no problem. But after the late night delivery our stock room is in such chaos that I wouldn't be able to find an XXXL rhino, nonetheless a t-shirt. I wish I could just check to see which sizes we received in the shipment, but all I got from the computer was that we have 45 Bulls t-shirts – no information about sizes. And, of course, I couldn't reach the other Chicago location because the line was busy all the time...

The Bulls fan was just starting to lose his patience with me when another customer shouted "I will never set foot in this store again!" Apparently, Carrie has just told her that we could not sell her an item, because the scanner couldn't read the barcode, the tag was missing the first 3 digits of the UPC code, and we couldn't find the correct item in the database. What a day! I am getting sick of taking the brunt of the customer's rage all because we need a better computer system. It's not my fault!

7 PM

Two more hours until we can finally close-up shop for the night. Just when I thought nothing more could go wrong today... this lady gave me her loyalty card and asked about her discount. I checked the system

How ERP can solve Retail Woes

and – oops! – we don't have you in it, Lady. I figured out that it's because she's from Wisconsin (she's here on vacation) and is probably in their system, but she's not in ours. I was about to apologize to her when I remembered that I can give her a manager's discount using Marks password. Let's hope she is really supposed to be getting that discount...

8 PM

AHHHHH! I just can't stand it anymore... for the 7th time today Sylvie, the new one, started scanning codes right away instead of asking the customer if he wants an invoice or a receipt before scanning. And all she can say is that the computer system she used at her old job didn't have any of those problems ...

9 PM

The day is finally over. All that work, and we didn't make our goal. I don't know how we are expected to reach our goal if we're losing customers in all these absurd situations?

The Solution

Right now, you need to fight for each and every customer that enters your shop and keep your staff motivated at all times. If you want to thrive in the recession, you need to treat your customers to the best service imaginable. This means fast, hassle-free transactions, and a product line that fits their needs. Let's see how Comarch ALTUM Retail helps retail chain stores to win their battles every day.

Why can't I find it in stock?!

With Comarch ALTUM retail, deliveries can be automatically entered into the system (even during

the night shift) when there is no manager to accept costs. To simplify this job, the system allows you to use mobile barcode scanners so you can work faster and more efficiently, while making fewer mistakes. Once you scan the barcode, delivered items are ready to be sold right away. Comarch ALTUM also allows you to accept incoming warehouse movements from your sales staff (if appropriate rights are granted) directly from the POS interface so they won't have to stop selling. Additionally, the sales-below-stock option allows you to sell and record transactions even when the system cannot find any items in stock. Once the delivery is entered into the system, Comarch ALTUM will update all necessary information to your stock levels, costs of purchase, and margins for sales-below-stock transactions.

Where is that product, anyways?

Since Comarch ALTUM allows you to check stock levels at internal and external locations and warehouses, you can tell your customer if you have the item in your store, or if they are available in another store within the chain. Comarch ALTUM Retail operates in separate, local databases but the connectivity between them is guaranteed with an offline synchronization engine that lets you connect to other stores and your HQ whenever it's necessary.

Comarch ALTUM allows you to distinguish products by their features (such as color, size, date of delivery or expiration date). Then all of your items are separated in inventory by feature so you see which items you have in stock. No more customers driven to your competitors because you couldn't locate their XXXL shirt.

Hey! Do you know the UPC code for this scuba gear?

How ERP can solve Retail Woes

Barcode scanners can help your sales team speed up sales transactions. But what happens when you have trouble scanning the item and you cannot identify part of the UPC code? You could go on a wild goose chase trying to track it down, but do you really want to leave your customer waiting? Comarch ALTUM allows you to enter partial codes and choose the item from a list and then filter the list by color, size, material, or other features.

Sorry, I can't find you in the database

"I can create a new account..." Right. The customer will not be happy waiting around while you do this and you will lose track of all his activities when you create multiple accounts. Luckily, there are better solutions. Comarch ALTUM Retail operates using a central database which contains all data on your customers, products, pricelists, and all other information. The synchronization engine exchanges data between HQ and stores whenever you need to keep information up to date. Comarch ALTUM's loyalty system gives you the ability to track your customers' behavior and allows you to easily identify them so any discounts or promotions are handled automatically by the system. You can also use the central management capabilities of the system to manage your promotions. All you need to do to start your clearance sale is to set new pricelists or discounts in the HQ system and all stores will start using it at once.

You wanted an invoice? All right, let's start over again.

A POS application's interface must be fast, intuitive, and ergonomic. Comarch ALTUM Retail has a well-designed, easy-to-use interface that can be operated by touch screen or keyboard and mouse. You can easily customize it to fit your business, and your personal preferences. Of course, you can utilize barcode scanners, receipt printers, drawers, and other retail-specific hardware. And you can switch from receipt to invoice or vice versa at any time.

Mark, the store manager

You probably think that the work of a store manager isn't that complicated, don't you? Many of my friends

thought that it wouldn't be any different from being a salesman... just better wages. You know what? Even I believed it... but after 5 years working as a store manager I can tell you a very different story.

Being the manager is a big responsibility and I take it



very seriously. It is my duty to make sure all my employees work efficiently and give our customers exceptional service. I have to resolve all of the issues that crop up – you never know when or why, but they always do. I have to keep the store running smoothly and motivate the staff so they can create the magic that brings customers back again and again.

Challenges? OK. First of all, I need to make sure that I have enough staff on the sales floor to give our customers stellar service. At the same time, I don't want a store full of salespeople wasting their time and the company's money by standing around waiting for customers. Of course, there are varying theories about how to keep people motivated, but I think the most important thing is to measure results and constantly show them how they are doing, so they know how their work contributes to our success. I also need to make sure that I can handle turnover. People come and people go, so I need to make sure that they can start selling efficiently after a quick half-hour of training. People always make mistakes, but it is rare day when they raise their hand and say "I did it!"

How ERP can solve Retail Woes

Many times I need to play the detective, to figure out what went wrong, why, and how, so I can give additional training to prevent mistakes in the future. So many challenges when it comes to managing people... I guess I am a one-man HR department in addition to handling all the other business processes.

You know what would really make my life easier? Getting my hands on some statistics. Like, oh I don't know... how many items have we sold? Which sorts of items are moving fast? Is red doing better this season than blue? What size of the "Bella" t-shirt is the most popular? I need to have this information to make decisions about the merchandising displays – which is, by the way, another one of my responsibilities.

One more important thing – if you know a way to speed up the stocktaking... don't forget to call me! It's too hard on my employees when they need to stay late to finish processing new stock after a whole day of work (not to mention costly, with overtime).

The Solution

The store manager drives the success of the chain store. He decides on the methods to motivate employees and solves all the problems. Because of this, you need to give him the support that he needs to make the shop efficient. Let's take a closer look at how Comarch ALTUM Retail can make his life easier.

The Power of Efficiency

Business Intelligence reports are available in Comarch ALTUM at no additional cost. With these reports you can analyze all of the data from your transactions and employee information, using tables, charts, graphs, and maps. You can use the hourly sales report to figure out which hours are your busiest, so you can schedule staff accordingly. The Sales-per-Employee report will let you know which salespeople are your strongest. Additionally, you can set individual goals and run reports on their progress, so each employee knows how to measure his or her success.

People come and people go

In retail, store personnel come and go, switching jobs frequently. You need to minimize the amount of information your employees have to learn before they get started. Comarch ALTUM is easy-to-use and stores complete information about your products and your customers in a way that is intuitive and clear. You can re-design the appearance of the POS interface. This means that the functions your employees use most often are accessible and those that are not needed are hidden, so they will have fewer functions to learn.

It will be easy for your salespeople to learn the system after just a short training session. People come and people go but you're ready to handle it.

We're only human

Mistakes happen. But they should not happen! Comarch ALTUM minimizes the number of human errors by handling many operations automatically. When data entry is necessary, the system helps with all the necessary information (such as product features – sizes, colors, types –, photos, etc.) allowing you to reduce the risk of selling incorrect items with incorrect pricing. To reduce costly mistakes and to prevent loss, you can set user rights so that some operations are only available to certain people. You can also set the manager override option so the system will request manager approval for certain transactions.

Comarch ALTUM traces all the activities of your employees and saves it to the database. Each time you issue a receipt or invoice, handle a return or incoming delivery, the system saves data on the user – your employee. If a mistake happens you can always identify who is responsible because all operations are logged into Comarch ALTUM. This will allow you to focus on correcting the mistake to make sure it does not happen again.

Knowledge is Power

Comarch ALTUM's Business Intelligence (BI) tools will give you and your employees access to reports and analyses to help you make smart business



How ERP can solve Retail Woes

decisions and achieve your company goals. These reports will help you drill down and analyze your most popular items. The system comes with many pre-made reports that can be customized for your company and you can quickly create new reports at any time. The drag and drop functionality in BI makes it easy to change the report to analyze the information further.

Finally, help with stocktaking

You don't need more people to accomplish this faster; you just need to be more efficient! Comarch ALTUM supports the use of multiple mobile collectors to speed up the stocktaking, reduce the number of mistakes and let your employees get back home earlier. They'll be delighted.

Katie the Purchasing Director

Katie has worked with the company for 2 years in their headquarters and is responsible for purchases.

Monday

I arrived at the office late because I was stuck in a traffic jam. Apparently, everyone is leaving early for the holiday weekend except for me. Anyways... As I walked into the office, I was wondering when I'll get my sales report from the previous quarter. I've been waiting for over two weeks – maybe I will be lucky today.... yes, there it is! A little coffee and I'm ready to analyze the report.

Unfortunately when I opened the report my initial enthusiasm fell. The report includes outdated information, which for the clothing department is a big problem since we introduce a new collection every quarter. Moreover - the report is incomplete. I have general information about sales figures for each store, but I need more info to do my job. How do I plan the purchases if the data shows the sales results from two months ago? This month the sales results may be totally different! What should I buy if I don't know how well the different product variations are selling?

How will I know which products to send to which store if I don't know sales per item in each store? I

know it's not easy collecting data from 10 stores, but come on... at this point we might as well save ourselves the hassle and not collect ANY data.

Friday

It's past time to plan purchases for our Fall collection. It is never easy to introduce totally new articles to your customers. You never know how they are going to be received. Because I don't have any historical sales information, I'll have to do a little guessing about which items will sell well and which won't. Keeping a close eye on the runways certainly helps, but planning a new collection is the most stressful activity in my job.

If the customers don't like it, I will be responsible for the decrease in revenue. And it's not as though products ordered today will show up tomorrow; everything is produced in Asia so it takes a while to get here. Believe me, being the purchasing director is not easy...

The Solution

Why can't I get the report I need?!

Sound familiar? If the excuses are getting a little old, you should explore some solutions. Comarch ALTUM Retail uses a synchronization engine that automatically transfers all data to the central database. This means that the information you need is always at your fingertips. Comarch ALTUM provides a full scale data warehouse and Business Intelligence tools, so preparing reports is easy. Also, this will not affect the transactional part of the system, so you don't need to worry about a possible system overload while querying the database. Once the report is ready you can refresh it daily with up-to-date information.

Drag and Drop functionality makes it easy to modify it, drill down, and get to the details!

Pink or Purple?

Each industry has special needs when it comes to recording the attributes and features of their products. Comarch ALTUM allows you to assign as many attributes as you like to each SKU, which helps



How ERP can solve Retail Woes

you easily group your products (ie: a collection, octane power, material type, or gender for which the product is intended). Comarch ALTUM also gives you the ability to assign features, so that a single SKU can have many variations in the system – different colors, sizes, design prints, or expiration dates. The system tracks this information for each transaction so you can always tell which items are your best sellers in each store.

Do I have to be Coco Chanel to predict best sellers?

Ordering a new collection always include some risk. Historical sales analyses which take attributes and features into account will let you compare newly ordered products to previous ones. This commonly used technique narrows the analysis down to a group of similar products in order to predict product sales. Breaking data down by feature will allow you to anticipate which colors, themes, and sizes are likely to fit into your customer's tastes.

Steve the Sales Director

Steve, 38 years old, in charge of retail sales

Monday, 11 AM

Even though I was half asleep, because our son woke us up at 4am, I had a lot of end-of-quarter work to complete so I knew I had to stay focused. I finally got the sales numbers I needed, so I began to take a look at the sales performance of the stores. I quickly realized that this was not what I wanted. Why not? Well, to be blunt: the information was not only late, but much of it was useless. Ok, it showed sales in eachstore, but nothing more. In order to do a full comparison between the stores I need more in-depth analysis. I need to know things like sales efficiency pesquare foot, sales per employee, sales by hour of the day, day of the week, by department... the list goes onand on.

Without this information we cannot even think aboutprofessional benchmarking. You may be saying: "Whdon't you just pin the store managers down in order tget the appropriate information?" My answer: collecting this kind of information is a very

labor-intensive process, and digging up some of the data would not even be possible with the tools available tous. Not to mention that store managers have better things to do than hunt this stuff down..

Thursday , 11 AM

Erg, so I am finally done with the benchmarking (if you can call it that in this case). This analysis is the starting point for developing all the promotional campaigns and is needed for defining price lists. It's really not easy to do with insufficient information. But... nobody cares; I have to do it anyway. Hey, do you know anyone looking for an experience Sales Director? Just kidding... sort of.

Thursday, 4 PM

Preparing promotional campaigns takes a lot of time, but it takes even more time to communicate the strategy to my subordinates. Here's the process: when I have everything ready, I make phone calls (or send emails) to give the store managers instructions. Then the store managers have to enter the price lists and other data into their store systems. Each store needs to start the campaign at the same time, and have everything ready on time. Unfortunately, because of the complexity of the whole process, we had to postpone the start date of the campaign. It turned out that one of the store managers is still on vacation and that store had no one to enter the new price lists.

We'll start the campaign next week instead, a week behind our competitors, which isn't going to make my bosses happy. By the way, how do they always start their promotions ahead of us?

The Solution

In retail chain stores, time is crucial. Comarch ALTUM Retail provides you with sales data that is refreshed daily, so you can always be sure that it's current.

What's more, the system provides you with 100% accurate and reliable information. You can analyze Absolute Sales Values (sales value per point of sale, store and area) and Relative Sales Values (sales per square foot, sales value assigned to employee, etc)



How ERP can solve Retail Woes

which can be compared year-to-year/month-to-month or showing sales dynamics.

This information will allow you to conduct profound benchmarking analysis between all your stores. Once this is done, you will be able to easily detect sales and customer behavior trends and, once detected, enable fast and efficient reaction. You may be sure that all the information that you use for comparison is based on facts, and not on assumptions.

Quick, Confident Decisions on the Go

With the Subscription function, you can regularly receive previously defined reports directly in your Inbox that contain updated data for the current period. You don't even have to be at the office; access the reports everywhere using Comarch ALTUM Mobile solutions. Steve could sure use these features to prepare his price lists and sales campaigns on time, if only he had the chance...

Simplify Promotions

Steve does not have an easy job. However, he might be surprised to learn that there's a very simple way to resolve his problems coordinating promotional campaigns and loyalty programs. With Comarch ALTUM Retail, you can define a price list using several calculation methods, and introduce it into the central database, which will synch-up with each store database. You can define more than one price list, and assign date ranges for your promotional price list. The price lists may be activated automatically, according to pre-defined instructions. Additionally, you only need to enter price lists, customer discounts, and loyalty points into the central database once. The system's architecture - one central database that synchronizes with in-store databases -

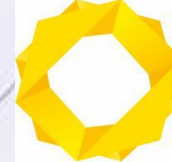
eliminates the need for multiple communications between sales director and store managers which reduces the possibility of miscommunication. The architecture also keeps each store up-to-date with the same information at every moment. So launching a promotion campaign is a breeze, not a pain!

Michael the IT Director

Michael, IT Director, has worked for the company for 3 years

10 AM, Sunday

I was eating Sunday brunch with my family, when suddenly I got a phone call from Peter, one of the store managers. He was freaking-out about a broken-down POS machine, and said he needed someone there right-away to fix it. I let him know that that this would be the second time in a row that I had to send Nick to work during the weekend, and tried to go through the typical checklist of easy-fixes. However, Peter would have none of it, so I had to get someone over there. In fact, when I got there I saw the reason for his frustration; he had had to turn a lot of customers away. Nick got the POS machine working, but we lost all the data for good - product barcodes, prices, warehouse status... everything. In order to fix the problem Nick had to go to another store nearby, copy their database, and then upload it to the repaired POS machine. This process, together with the ongoing configuration settings took several hours. We were able to recover all the information - except for that stores' stock status. I feel sorry for the store workers who are going to have to count all the products...



How ERP can solve Retail Woes

Wednesday

The store on the corner of Grand and Halsted is in one of the fastest-growing city neighborhoods which is why the company made the decision to rent more space to extend it, this includes adding more POS machines. So today, I installed some new POS devices and at the same time upgraded the system to a newer version. This kind of work is one of my routine duties, but the scale of the job was getting to be a headache. Once we got the machines set up we started the manual process of installing and configuring the system. This includes setting up all the user accounts and the access rights to functions and areas of the system (who is in charge of warehouse movements, who can view the warehouse status in the central warehouse etc, etc). We had to set this all up from scratch so the process took forever. I spent my entire day working outside the office. In the late evening, when everything looked ready, I could finally go home to my family.

The Solution

Don't Freak-out!

POS machine malfunctions and break-downs can happen... But it doesn't mean that you have to waste tons of time trying to get the situation back to normal. Comarch ALTUM Retail allows you to quickly replace any lost data in a couple of minutes. Since all the stores have their own database which is connected to the central database, all you have to do is to install the software and synchronize the necessary data. During synchronization, the POS will receive data on all the products, price lists, warehouse/stockroom status (local & remote) and all other information you use to run your business. In addition, whenever you lose connection between the central database and

the store, you can continue to work offline with no worries. The local station will record all the information and whenever you regain connection, your database will be automatically synchronized.

Onwards and upwards!

When you manage your stores successfully, you will inevitably need to expand your operations— even if it is just adding a checkout station. When a company faces this situation, it can strike fear in even the most stout-hearted IT person. However, Comarch ALTUM's system architecture ensures that every additional store or POS station can be easily integrated with the existing ones, without the need to waste precious time. You simply plug-in the POS computers, download and install the software and synchronize data. Not so complicated. All the data is stored on both central and local databases, so there's no need to manually enter any data. The time saved with routine maintenance and eventual expansions can result in meaningful cost reductions for the entire sales network.

Comarch ALTUM Retail is a powerful system to manage your retail activities and make you more efficient now and in the years to come. So you can say goodbye to some of those Retail Woes.

ComArch AG

Chemnitzer Str. 50

01187 Dresden

Deutschland

Tel.: +49 351 32 01 32 00

Fax: +49 351 43 89 710

E-Mail: info@comarch.de

www.comarch.com

www.comarch.pl www.comarch.de www.comarch.ru

ComArch Spółka Akcyjna with its registered seat in Kraków at Aleja Jana Pawła II 39 A, entered in the National Court Register kept by the District Court for Kraków-Śródmieście in Kraków, the 11th Commercial Division of the National Court Register under no. KRS 000057567. The share capital amounts to 7,960,596.00 zł. The share capital was fully paid, NIP 677 - 00 - 65 - 406 Copyright © Comarch 2007. All Rights Reserved. USA-2007.11