

## POS Integration Value Discussion



### Epicor Precise Point of Sale

A POS system - More than just the processing of sales and orders...

A retail POS system should be implemented with the following objectives:

- To deliver the best possible shopping experience for the customer
- To make it as easy as possible for the company's customer service/sales people to provide a high level of customer service
- To implement standardised practices and processes with the right level of security, so that the above two points can be achieved as effectively and efficiently as possible.

Achieving these objectives will also help to meet ultimate broader strategic objectives:

- Building revenue growth by improving the company's reputation in the market
- Acquiring new customers, keeping existing customers and growing the 'wallet share' with both of those groups
- Keeping prices as high as possible to maximise margin and reduce the level of discounting the company has to engage in
- Reducing costs where possible, without impacting on meeting the objectives described above
- Building shareholder value in doing all of the above.

Clearly, a Point of Sale system plays a significant role in achieving the above objectives. Once this is understood, it becomes evident that greater growth in shareholder value is only attainable where a point-of-sale's components are a natural extension of the existing systems within the company.

## Depth of Integration

In reality, there are a multitude of additional business processes and information needs in a bricks-and-mortar shop environment which need to be considered (often across multiple locations and involving connectivity and redundancy) before delivery of the (above) strategic objectives can be expected.

In a physical retail store, depth of integration is crucial—As transactions need to be processed in a number of different formats:

- As orders, with or without down-payments
- As Sales
- As Returns
- As Refunds
- As Lay-bys/Layaways, where payments are made in instalments over a period (usually months) before the goods are collected
- Discounting— which may affect multiple lines for various reasons (eg damaged item, floor/display stock, clearance items)
- Competitor price-matching
- Combinations of the above – (For example, a single transaction may involve return lines, sale lines, discounted items and orders)
- Catering for petty-cash use in the store (aka ‘paid outs’)

In each case, the correct transactions have to be created in Epicor. GL accounts have to be accurately impacted. Revenue, cost, discount, debtor, item category, sales location, etc. all need to be considered—and these may be multiple in a retail environment. Being able to handle Cash, cheques, gift cards, treating banked and non-banked credit cards (e.g. AMEX) differently and catering for surcharges to offset card provider fees... Again, in a real-world store the customer may use combinations of all these—Even within a single transaction.

As soon as ‘cash’ is involved (and other payment types, too) there is a need to handle reconciliations, ‘overs and unders’, floats, and possibly cash collections or top-ups. End of day banking must tie-up with what the ERP system user or automated process is going to see on a bank statement, which highlights the importance of getting a whole raft of GL implications correct.

## Access to Real-time system Information

In a physical store, the customer-service person has to have instant access to all the inventory and customer information they need in order to deliver the best possible customer experience. Being able to do this reduces waiting and processing time, which ultimately maximises outcomes for the company. All of this information comes from Epicor and must be offered as 'real-time' as possible for it to be of any value to the customer-service person. However, offering a near-real-time experience can become complicated, particularly where multiple stores are involved.

- Managing consistent pricing modules - To give the customer the most seamless experience possible, irrespective of which channel (retail store, mail order, call centre, on-line web store) they choose to interact with.
- To capture customer details and have them available from a loyalty or sales tracking perspective across all channels and locations
- Reflect the movement of stock across the retail and distribution centre network, as real-time as possible. This includes physically receiving stock, performing stock adjustments and stock counts within the retail system and having all that flow through into Epicor correctly, as real-time as possible
- Loyalty schemes, gift cards and other payment programs, ensuring they reflect accurately in the GL both on accruing/balance creation and usage...
- Moving to a possible 'click and collect' model with an online storefront, whereby orders can be placed on a website but optionally collected from a retail store, rather than waiting for delivery.
- Managing all that so as to know when (because it happens from time to time) a given "thing" hasn't correctly integrated and as much information as to why. As an example, Epicor is set to refuse negative stock shipments, but a store physically has something on a shelf (or perhaps it's just incorrectly coded) and it was sold. Epicor won't allow that shipment to post, so what happens next?

## Deep Integration between POS and Epicor

...And in addition to adding more, we're making the existing touchpoints deeper with almost every release. This continues to ensure the best possible match between cross-organisation business processes and how Epicor "works" across the board. This level of integration is what the customer is buying into and is delivered on an on-going basis as part of the annual maintenance fee. There are literally thousands of man-hours of development on the integration side alone. Other retail systems will claim doing all the above is easy and that they "do it all the time". The reality however is exactly the opposite. On any other POS system, it would take months of work to come even close to what POS offers out-of-the-box in terms of integration with Epicor, and even then, the competitors software would forever require continuous tweaks, testing and deployment.

This all directly translates to risk. Project risk, operational risk and organisational risk. The only way to mitigate risk on such an extensive project is by throwing cost, time and resources at it. Even if other vendors try to trivialise this—which they absolutely will—the impacts will be very real for the company buying into the system.

## What does it really cost?

To get a true picture of the total cost of ownership (TCO), a list of business processes and integration support items should be submitted to vendors, who should then commit to an estimate.

- How much should it cost?
- How long should it take?
- What will be expected of the purchasing company in terms of technical assistance, knowledge of Epicor, testing and time/resources?
- Will the vendor provide support on all of the integration work at no additional charge?
- Will the vendor commit to a fixed annual price for support, and will they maintain all the integration in-line with future releases of Enterprise? And will they do it all again on a potentially completely different technology and architectural framework if and when the customer moves to a new release?

With Precise POS, the cost to deliver all of the integration elements are contained within the cost of the software and a few weeks' worth of implementation for the actual software. Moving forward, our maintenance fee (20% of software cost, p/a) covers on-going development and support of integration, along with the application functionality for future Epicor releases.

Ultimately, POS provides a far cheaper, much lower risk option which consumes much less customer resource and delivers significantly better operational outcomes across the business, both initially and for the future.

If support is the issue, then talk to our existing customers. Have them explain how Precise Business Solutions is the most pro-active and responsive system provider they work with, and how the system itself is incredibly robust.



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