



Microsoft Business Solutions Retail Management System Customer Solution Case Study



Overview

Country or Region: United States

Industry: Retail

Customer Profile

Bicycle Garage of Indy (BGI) boasts 23 lanes and 30,000 square feet of floor space. Cycling and fitness products sell through registers and Web sites. Complete sales and service of both lines add income.

Business Situation

Though BGI developed its own early computer system and later migrated to commercial software, frequent crashes alienated staff and customers, while system inadequacies led to untrustworthy reports.

Solution

After BGI management had searched for years for the right system, Microsoft® Retail Management System, enhanced by DRS Bicycle Bundle from Digital Retail Solutions, made BGI jump off the starting blocks.

Benefits

- Sales are up by double digits and inventory turns higher by ten percent.
- Easy interface with Giant Bicycle speeds purchasing and eliminates errors.
- Staff gather customer data with every sale to drive targeted e-marketing.
- System maintenance is 90 percent less.

Bicycle and Fitness Stores Crank Up Sales and Finish Daily Tasks Faster

“Sales are up by double-digits, partially because our sales and service people find better information—and faster—while the customer is ready to buy.”

Tim Gale, Information Systems Manager, Bicycle Garage of Indy

Founded in a garage in the early 1980s, the company that became Bicycle Garage of Indy has grown to two stores, a warehouse, and three dedicated Web sites. Cycling and fitness products, clothing, accessories, sales, and services ensure year-round income and keep customers returning to the stores. But frequent crashes in the aging point-of-sale system kept the IT team apologizing to staff and customers. It devoured untold hours and dollars in maintenance, and management regarded its reports with suspicion. Microsoft® Retail Management System, as enhanced by DRS Bicycle Bundle, speeds transactions, handles work orders, and helps manage complex special orders, serial numbers, and back orders. It even interfaces with the Web to ensure up-to-the minute stock availability and pricing.



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Giant Bicycle's colourful Bella is a comfortable and attractive all-around bike for women.

Situation

Bicycle Garage of Indy (BGI) sells 7,000 SKUs (stock-keeping units) of cycling and fitness products from two stores in Indianapolis, Indiana. From 60 to 70 full- and part-time staff members sell bicycles ranging from less than U.S.\$200 to \$8,000, along with sports clothing, safety gear, parts, and supplies. Bicycles above \$3,000 are typically custom-made from parts often specially ordered from many vendors. Setup to individual needs adds value, while periodic tuning, maintenance, and repairs bring customers back to the stores where they see new merchandise.

Raising the Pace

Because cycling equipment sells best during spring and summer, owner Randy Clark phased into fitness equipment to pump up revenues during fall and winter months. His first years were an uphill climb. Clark had to convince fitness equipment manufacturers that a bicycle store could be a viable fitness outlet. After proving his team could handle the maintenance, customer service, and sales volumes that modern fitness equipment requires, Clark showed skeptics that fitness and bikes were a smart way to cycle through the seasons.

Fitness lines include strength-training, cardio gear, clothing, and accessories.

Setup, training, and service add income and build store loyalty. The resulting new retail business, BGI Fitness, sells to individuals, but also designs, sells, and installs professional-grade equipment for gyms and offices. BGI devotes two workstations to servicing both types of equipment.

Revenue from 19 lanes in the 18,000-square-foot, North Indianapolis store is many times that of the smaller, four-lane, South Indianapolis store of 12,000 square feet. Cycling, residential fitness, and commercial fitness equipment each have their own Web site. Centralized dispatch, delivery, and field maintenance crews emanate from the warehouse, a third BGI location.

Friction and Drag from the Old System

But Tim Gale, Information Systems Manager for BGI, bore the brunt of repeated crashes and the myriad inadequacies of a previous point-of-sale (POS) system that repeatedly frustrated staff and management.

“At times,” comments Gale, “crashes essentially shut down business. We were back to pen and paper receipts.” A transmission glitch anywhere in the system might take down the entire network, stifling sales, deliveries, work orders, and service calls in stores and warehouse.

Gale recalls, “Then I’d have to get on the public address systems at three buildings and tell people across the network that we’d be offline for 15 minutes. And, by definition, it was always during business hours. We’d do our system repairs and notify people we were up and running again. There’s no way we can count the money lost and customers alienated from all those interruptions.”

The old system’s arcane screens and procedures confused staff, especially new and part-time personnel, so a convoluted learning path slowed sales and service.

Since 1997, BGI has relied on Microsoft® Business Solutions–Solomon version 5.0 software for full financials, analytics, and intense reporting needs throughout the business. But the earlier system’s difficulty in exporting sales data slowed the arrival of reports and made them incomplete, delaying



“Giant Bicycle’s new purchasing interface allows dealers like BGI to directly upload purchase orders to Giant, then download complete product descriptions and prices to their stores.”

Mike Forte, Director Strategic Information Systems, Giant Bicycle

Giant’s all-terrain Trance 3 features suspension on front and back wheels.



and hindering business decisions, and causing extra hours of work.

Solution

“We had been system-shopping for eight years,” notes Gale, “watching developments from every vendor we could find. We’d even talked to Digital Retail Solutions (DRS). As a provider, DRS inspired credibility but, before Microsoft Retail Management System and DRS Bicycle Bundle came out, no product gave us reason to change. We evaluated six systems seriously—including Linux environments, but found no viable POS applications there. Other providers didn’t have the credibility that DRS has.”

DRS developed DRS Bicycle Bundle, an enhancement to Microsoft Retail Management System that is tailored especially to manage cycling retailers’ data and marketing needs. Its features include a powerful product search and filter with supplier warehouse availability check; serial number tracking; synchronization with supplier pre-labeling services and product catalogs; label formats, customizable interfaces to Bike-alog subscription and Barnett’s labor chart import; special-order tracking; work orders, layaways, and back orders; fast item-code creation; Web site updates; sign and tag generation; tender balancing; expedited purchase order entry and execution; streamlined product import, and dozens of customizable cycling-specific reports. In 2004 and 2005, DRS won five Microsoft awards, including Point-of-Sale Solutions Partner of the Year (USA), for Microsoft Retail Management System.

The Right Racing Partners

Late in 2003, DRS delivered a product demonstration of Microsoft Retail Management System and DRS Bicycle Bundle

to BGI management. Gale quietly told Clark, “If our staff sees this new system, they’ll mutiny next time they have to use the old one.”

In late 2004, Gale began plans to integrate Microsoft Retail Management System into all business functions. “In December,” he says, “we selected Microsoft Retail Management System and DRS Bicycle Bundle. Forty days later, we were up and running.”

“DRS was outstandingly competent and helpful during our conversion,” comments Gale. “On our own, we had used rudimentary tools to convert and import our old data into Microsoft Retail Management System, so we created some problems for ourselves. DRS’s response time with a smart solution was almost instant. That proved that we had made the right choice. That pattern is always the case with DRS, even though our need for support has been minimal. We don’t get a generic response, either. They offer us choices, and those options help me work out what works best in our environment. And pricing is fair.”

An Information Triathlon

A key cog in the transmission of business data is the purchasing function that Giant Bicycle, the world’s largest manufacturer of quality bicycles, has designed to integrate with Microsoft Retail Management System and DRS Bicycle Bundle.

According to Mike Forte, Director Strategic Information Systems, at Giant Bicycle, “Giant’s new purchasing interface allows Giant’s dealers to directly upload purchase orders to Giant, then download complete product descriptions and prices. As Giant will pre-label items, our system here accepts stores’ uploads of pre-labeling data, so orders arrive labeled and priced the way Giant’s retailers specify.” DRS developed the system interfaces to Microsoft Retail Management

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System, and Giant developed Web interfaces to Microsoft Business Solutions—Axapta® software, which Giant Bicycle uses in-house. BGI has enabled full functionality at each POS workstation so all lanes are completely interchangeable between sales and service. Gale explains, “This speeds lines and allows our commercial salesperson to pick any empty workstation for his work.”

Benefits

“Sales are up by double-digits,” reports Gale, “partially because our sales and service people can find better information faster—while the customer is ready to buy. We used to wade through too many screens. Now transaction time is down by a third and inventory turns are already ten percent faster. We even look more professional. We love the LCD displays and we spin them around to show the customer the transaction.

“This system allows us to create work orders that ‘tell the story’ to everyone who touches the job. The work orders specify parts, tasks, locations, and any other details essential to proper execution. And we use a specialized Microsoft Access database application for commercial fitness clients, to make notes that help us manage each account.

“Now we can update customer information very quickly during transactions. With any significant purchase, we insist that cashiers ask customers for their contact information. This capability is huge for us because, when we market by e-mail, we can presort which message goes to which customer. Since we carry such a variety of product lines, that’s important.”

BGI staff tell Gale that the new software makes it easy to find products and to record the customer’s choices of time and available tradeoffs for delivery. “We also use the special-order tracker in DRS Bicycle Bundle,”

he explains, “Since custom orders make up much of our commercial business, that facility helps special-order anything we need.”

Faster Lap Times

Besides customer-facing transactions, physical inventories are now twice as frequent and more accurate. “We used to do PI (physical inventory) broadly by product groups, hitting each item once a year,” Gale admits. “Now PI is easier to do than with our old system. Therefore, we do PI’s more quickly. Therefore, more frequently. So we have more faith in our ‘on-hand quantity’ for each item. Also, doing an hourly poll of every store and sending their data into the Microsoft Retail Management Headquarters software keeps our inventory highly accurate. Now staff can believe our numbers and confidently act on them.”

Headquarters is the feature within Microsoft Retail Management System that collects data in retail chains from individual stores, each of which run Microsoft Retail Management System Store Operations, a complete store-level information system. Supplied with fresh chain-wide information, management then use Headquarters to send price changes, new inventory, and dozens of other controls to the chain or individual stores.

Gale predicts, “We’ll also save huge amounts of purchasing time using the latest improvements in the interface to Giant’s Web portal. We can click a button and see what Giant has in their West Coast warehouse as of last night. This helps us order what can be delivered and minimizes human error. With other suppliers, e-mailing a file is better than faxing, but not as good as Giant’s direct interface. It’s like making Giant Bicycle part of our company. Soon, we’ll send our labeling data to Giant, so they can pre-label products. They keep evolving that interface to give it more features.”

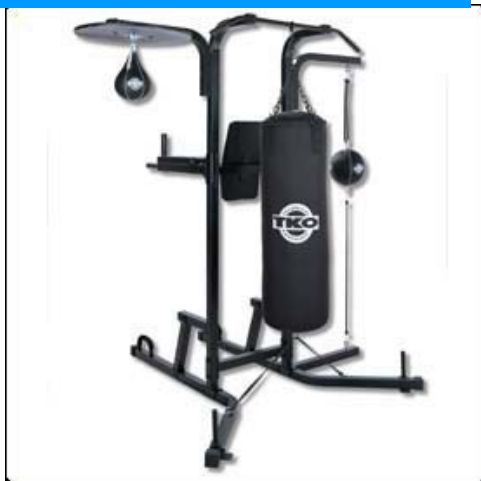
BGI Fitness offers 20 models of fitness-specific Polar watches, from the F1 through the S-810i, which can export workout data to a PC.



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Tim Gale, Information Systems Manager,
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A TKO boxing workout gym with seven stations gives Golden Glove candidates an all-around workout.



Forte reports further streamlining at Giant. “Stores will get weekly updates of new items plus daily updates of on-hand stock. They’ll send us their price changes and, if they want, even consumption rates to help us predict what they need, so that we respond faster and better to stores’ needs.”

Better Traction

“Microsoft Retail Management System saves us labor hours we once spent on information technology,” Gale reports. “Care and feeding of our IT system has dropped by 90 percent.”

BGI’s new software bundle from DRS integrates with the chain’s bicycle sales Web site. “DRS middleware tells our bike Web site what we have on hand and the items’ current prices,” Gale reports. “We can make the updates automatic or ask for verification before we change the Web site data.

“We got benefits we hadn’t expected. Store Operations needs minimal hardware so we avoided the expense of a new server for our small store. We use DSL for store-to-store communications, so I don’t need expensive communications gear.

“Everyone has a favorite feature they love to tell me about. These are more important to staff than I’d anticipated. For example, inputting new products used to be a pain, but these new tools make that fast and easy. Our old software couldn’t put in long e-mail addresses—this system can.”

Since most new staff members already know the Windows® operating system user interface, learning is faster. “Training here includes interpersonal skills, product training, of course—and training on Microsoft Retail Management System with DRS Bicycle Bundle,” says Gale. “In two or three hours, a salesperson can find or learn all they need to know, so we save training time, too.”

Tracking the Stats

Gale comments: “Reporting looks—and is—so easy that there was initial concern whether it was robust enough to do all we needed. But we’ve found that the Active Reports in Microsoft Retail Management System and DRS Bicycle Bundle actually deliver most of our reporting needs. Beyond that, we can get any added functionality from Crystal Reports through its easy interface to Microsoft Retail Management System.”

Preparing for the Race

Gale suggests that thorough advance planning will help retailers choose their system as wisely as BGI did. “Try to make a list of every single type of transaction in your business,” he suggests. “Then exercise every candidate system with each transaction type. Mentally wear all the hats in your company to see what everyone needs to do on your system. You know generally how your old system worked, but you need to find out all the ‘cheats’ and ‘workarounds’ that people have developed, to be certain the new system can do it.

“Get people from different departments involved. You’ll expose your own blind spots. We did this, then chose Microsoft Retail Management System and DRS Bicycle Bundle—and we met all our goals ahead of time.”

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 Digital Retail Solutions products and services, call (800) 322-9471 or (800) 353-0268 in Canada, or visit the Web site at: www.digitalretailer.com

For more information about Bicycle Garage of Indy products and services, call (317) 842-4140 or visit the Web site at: www.bgindy.com or www.bgfitness.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

- Microsoft Windows Server System™
 - Microsoft Windows Server™ 2003
- Microsoft Business Solutions
 - Microsoft Retail Management System–Store Operations & Headquarters
 - Microsoft Business Solutions–Solomon version 5.0
- Windows 2000
- Digital Retail Solutions–DRS Bicycle Bundle

Hardware

- Dell PowerEdge SC420 servers
- Compaq and Dell PCs
- Metrologic scanners
- Epson printers
- Zebra label printers

Partner

- Digital Retail Solutions, Inc.

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