



## Microsoft Business Solutions Retail Management System Customer Solution Case Study



### Overview

**Country or Region:** United States

**Industry:** Retail

### Customer Profile

Family-owned Westside Liquor Stores, based in St. Cloud, Minnesota, has seven outlets offering a wide variety of wines, liquors, beers, and party supplies. The company has grown annually for 25 years.

### Business Situation

Each store's individual needs in pricing and selection created administrative nightmares. The old system lacked the capacity to flex to business needs, taking key decisions away from management.

### Solution

Microsoft® Business Solutions Retail Management System can permit decentralized decision making, yet keeps owners in charge. Customizations by Microsoft Partner, RITE, reduced ten-minute keg registration to seconds.

### Benefits

- 74 hours a month saved on keg registration
- Double-digit sales growth for last two years
- Flexibility in pricing and ordering
- Reports show items to push or order
- Easy-to-learn screens

## Increased Flexibility and Checkout Speed Helps Liquor Chain Cap Double-Digit Increases

“Twenty-four months ago, we didn’t even scan bar codes. Today, we’re experiencing unprecedented growth with few administrative headaches.”

Robert J. Feuling, Owner, Westside Liquor

As an owner of a rapidly expanding chain of liquor stores based in St. Cloud, Minnesota, Bob Feuling noticed growing pains. With the stores’ vast selection of inventory, tight pricing, and a commitment to unrelenting service, Feuling saw his old retail system was slowing growth and wasting hours—for staff and for customers.

“Flexibility and customizability were important to us from the beginning,” Feuling explains, “so we sought a system that would bend to our needs.”

Since finding Microsoft® Business Solutions Retail Management System, he can now manage over 12,000 SKUs, set different prices for each store, rapidly speed up checkout lines, and know what’s going on in any store at any time.

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Robert J. Feuling, Owner, Westside Liquor

### Situation

Bob and Linda Feuling own and operate seven liquor stores in the St. Cloud, Minnesota area—and the number keeps growing. The chain sells 12,000 stock-keeping units (SKUs) of package goods including six-packs, whiskeys, scotches, liqueurs, table wines, and a growing assortment of fine wines selling at more than U.S.\$100 per bottle.

Bob wants “our customers to enjoy every minute of their purchasing experience from the time they pull into the parking lot, as they browse the store and find things they want, to checkout and on the way home, I want them happy with the purchase.”

The family works hard to make that happen. Unlike many liquor stores that charge for special events, Westside provides such customer attractions free. Five wine-tasting courses are offered and an annual tasting extravaganza features hundreds of products, beverage representatives eager to answer questions, and a classic rock band.

### Keeping Up with Expansion

Yet Bob found his old system simply couldn't keep up with the difficulties of tracking a larger inventory and the need for fast communication among stores and headquarters. “Our old Microsoft® [Visual] FoxPro®-based product was essentially an electronic cash register, not a real information system,” he says.

“Instead of allowing me to make my own decisions,” says Bob, “it wanted to mold our stores to its methods. And it just didn't have the power to handle all it needed to. Inventories could become unbalanced among stores, often leading to over-purchasing.”

“Pricing wasn't centrally controlled, which meant calling every store to change prices and hope for no errors. Now we do it once in

Headquarters and it's done,” Bob says. “Our Waite Park and Little Falls stores are 30 minutes apart, yet Busch Light is a best-seller in one, and it's Michelob Golden Draft Light in the other. Customers notice and mention prices. If our cost goes up we can't raise prices chainwide; yet we can't sell everywhere below cost. We always have to sell lower in some places than others.”

Register lines were slow, especially with credit card verification taking up to 30 seconds. Slowing lines further is a state law requiring every keg be registered with the buyer's driver's license and have a recorded serial number tagged to each keg. Registration took customers ten minutes, which left a Friday-night line grumbling. Kirsten Schmidt, Manager of Westside's Albertville store, says, “When guys want a weekend keg, they don't want three people in front of them spending ten minutes each on forms. They're losing valuable party time!” Then kegs must be individually checked back in.

“We used to hand-label nearly every item with a price tag, and still do in the newer stores where we haven't made the transition yet,” says Bob.

### Money-Handling Concerns

To retain its reputation for customer-first service, managers were instructed to usually give refunds without verification of purchase. Although theft was never rampant, it became a factor because the old system took so long to crosscheck purchases against inventory.

“Then there was our discount policy,” says Bob. “Cashiers had no way to verify who got a discount and who didn't without calling for the store manager. This always caused delays at the registers and annoyed customers in line.”

“Microsoft Retail Management System had a good feel about it from the minute I saw its screens, followed its business logic, and saw how easy my dad’s management chores could be.”

Rick Feuling, IT Manager, Westside Liquor

“We were in control,” says Bob, “but only through people skills—not through good business systems.”

Bob leaves technology to others and “manages overall business directions, stock movement and levels, suppliers, advertising, legal matters, and usually serves as the coach on the sidelines. The camera isn’t on him much, but he’s involved in every play.”

### Solution

Bob tapped his son Rick to tame the unruly IT system. After months of fixes, frustration, and workarounds, Rick began to look for a solution “that would be as customer-conscious about us as we are about our customers.”

“Issues with our old system always ended up in ‘that’s how it is; we’re stuck with it,’” says Rick. “That was unacceptable.”

Rick studied the alternatives among point-of-sale (POS)/retail management systems and noticed, “Retail Pro and Celerant didn’t seem as modern as advertised, especially for the prices they wanted. Microsoft [Business Solutions] Retail Management System had a good feel about it from the minute I saw its screens, followed its business logic, and saw how easy my dad’s management chores could be.

“One company wanted \$43,000 for a system, but we did it for about half of that. And the Microsoft name was very persuasive; we knew they’d stand behind their products,” he says. Currently four of our seven stores are on Microsoft Retail Management System. The company is gradually tying them together and plans to unify the entire chain under this system.

### Creating Efficiency at the Point of Sale

Wireless scanners were added at checkout islands to scan cart contents, thereby

reducing product handling and breakage and increasing customer service.

“We have an incredibly good team of people here and always have,” Bob says, “but we found one exception and it wasn’t petty theft. This system raised the red flags and gave us the proof to prosecute.” Bob can now record all register transactions, so a cashier won’t be tempted to delete a cash sale after receiving the money.

### Promotional Advantages

POS screens can tell cashiers which customers are eligible for discounts without time-consuming trips through screen after screen. Transactions that have been placed on hold can be seen in the POS window. “And the system is so easy to learn, new employee training is a breeze,” says Bob.

“Another bonus that customers love,” he adds, “is the NetDisplay feature. One flat-panel monitor serves the store associate while the other faces the customer to promote a tasting of a new wine from Chile, product specials, or a store opening.”

“Customers love it, and it doesn’t hurt our bottom line, either,” says Rick.

The transition to Microsoft Retail Management System was fast and smooth. Even managers without computer background found it easy and much more approachable than other back-office alternatives that management had inspected.

After Westside implemented Microsoft Retail Management System, management installed Microsoft Windows® Small Business Server 2003 (SBS) as an inexpensive way to acquire its capabilities and Microsoft SQL Server™ 2000, part of Microsoft Windows Server System™ integrated server software. A second machine works as a Web server.

## “Store management and inventory security are light years ahead of where we used to be.”

Rick Feuling, IT Manager, Westside Liquor

“SBS can expand the Remote Desktop feature in [Microsoft Windows] XP so we can log in many people at a time,” says Rick. “We’re linked into a company intranet. In our digital surveillance, we can see any store we want to in real time. Store management and inventory security are light years ahead of where we used to be.”

Rick was so impressed with the new system that he eventually founded Retail Information Technology Enterprises (RITE), dedicated to selling Microsoft Retail Management System to the package goods industry statewide.

### Benefits

Bob says, “There’s no comparison to our earlier situation. Keg registration now takes seconds. Prices can be set store-to-store. I get the graphs that I want to compare sales of stock categories, or compare stores. Inventories are easily tracked and adjusted.

“Twenty-four months ago, we didn’t even scan bar codes. Today, we’re experiencing unprecedented growth with few administrative headaches.

“Yesterday, one store sold \$4,450 in beer, \$6,100 in liquor, \$1,966 in wine, plus \$2,820 in tobacco, lottery, and miscellaneous items. If I want, I can track how much of that was bottles of Diet Coke. I have the details or the big picture, whichever I want.

“Literally, I just push a few buttons and it’s in front of me! If I walk into a store at noon, I know what’s been sold through 11:59. It tells us what we need to buy fast or work harder to sell, and what to discount and stop handling.”

Now the chain can price items lower in more price-conscious areas, and add a few pennies in communities where the price differential won’t be an issue. Options such as this within Microsoft Retail Management System let

management decide what works best in each individual store, rather than impose unwanted rules chainwide.

### Customer Service Dramatically Speeded

“Today, we have more speed at the register thanks to wireless scanners and because credit card authorizations only take between one and three seconds,” says Bob.

When asked about his experience as a provider who implements Microsoft Retail Management System, Rick Feuling of RITE says, “We love it! This system’s ability to mold to clients’ needs has made providing, customizing, and installing it a joy.” This product flexibility allowed RITE to create a customized package specifically for Minnesota liquor retailers.

One piece of RITE’s package includes Rite Keg, which automates once-tedious compliance with Minnesota law covering keg sales. “For keg registrations, we just swipe the license and—boom!—we’re done. We’ve gone from ten minutes to ten seconds per keg,” says Kirsten Schmidt. “That saves us 74 hours per month in staff hours plus uncountable customer time.”

### Headaches Resolved

Another successful promotion has been Westside Liquor’s gift card program. “Gift cards give you the money up front. By the time the purchase is made and you pay the supplier, you might have had money four months, interest free,” says Bob. “And not all cards are redeemed.”

Currently Westside’s Microsoft Partner is developing a gift card system that will cut previous gift card overhead by as much as two-thirds. “We’ve received excellent service from RITE,” says Bob, “They treat us like family.”

**“It tells us what we need to buy fast or work harder to sell, and what to discount and stop handling!”**

Robert J. Feuling, Owner, Westside Liquor

Westside is also accumulating its customer base in Microsoft Retail Management System. “Now that I have the Microsoft Retail Management System,” says Bob, “I can start to use the names of our shoppers for targeted mailings. I want to see those results in a hurry.”

#### **Administrative Headaches Sharply Reduced**

“On our old solution,” says Rick, “I had to hack into the system to get its information into [Microsoft] Excel. Now we’re almost ready to allow the accounting firm remote access to the Microsoft Retail Management System time-clock data. They’ll log in as a remote user with highly restricted access, but then they can pull down employee hours and calculate payroll without time cards. That’s even more steps saved.”

Stock reports can be generated immediately, making instant management decisions possible and eliminating all guesswork from ordering.

Receipts from years-old transactions can be recreated right on the spot. “That reassures you when you’re doing returns or someone comes in for a receipt for a rebate,” says Bob. The solution is compatible with bookkeeping and mail/merge functions.

#### **Advice on Raising Retail Revenues**

In the two years since installing Microsoft Retail Management System, revenues at Westside Liquor have risen in double digits to surpass \$21 million in 2003. “For 2004, we’re closing in on \$25 million, and that doesn’t count two new stores in our plans,” says Bob.

Advising retailers on how to expand their chains, Bob says, “It’s so hard today to keep track of everything a retailer must track, that working with inadequate computer power will keep you small. Get the most up-to-date

hardware and software that you can because that postpones your next POS upgrade, so it saves you money and time in the long run. With a mediocre computer system, the whole business will be mediocre. The stores that we bought had actually all bought older equipment or lesser-quality software to save money.

“Everybody already knows it’s a good idea to grow by adding new stores, but it’s even smarter to make each location increase its revenues over the same month last year. This software tells me early in the month how each store is doing on that.”

“And, since our chain of package stores is growing nicely,” he adds, “I’m in good spirits!”

## 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](http://www.microsoft.com)

For more information about Retail Information Technology Enterprises products and services, call (888) 267-RITE or visit the Web site at: [www.rite.us](http://www.rite.us)

For more information about Westside Liquor products and services, call (320) 253-9511 or visit the Web site at: [www.westsideliquor.biz](http://www.westsideliquor.biz)

## 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](http://www.microsoft.com/pos)

### Software and Services

- Microsoft Business Solutions Retail Management System  
-Store Operations, Headquarters
- Microsoft Office Professional Edition 2003
- Microsoft Small Business Server 2003
- Microsoft Windows Server System  
-Microsoft SQL Server
- Microsoft Windows XP Professional

### Third-Party Services

- RITE Minnesota Liquor Store Add-On
- RITE Label and RITE Gift Card

### Hardware

- Dell PowerEdge 400SCS
- Dell dual flat-panel monitors
- Hand Held Products ImageTeam 3800LR
- Metrologic wireless scanners
- Other retail peripherals

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Document published October 2004

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