



# PROFITsystems E-COMMUNICATOR

## Calendar

**April 16-20**  
Class Week

**April 24-26**  
PROFITgroups –  
Appliance group meeting  
in Victoria, BC

**May 1-3**  
PROFITgroups –  
Thomasville group  
meeting in Scottsdale, AZ

**May 7-11**  
Class Week

**May 9-11**  
PROFITgroups – Movin  
On Up group meeting in  
Destin, FL

**May 21-23**  
PROFITgroups – +10  
group meeting in  
Albuquerque, NM

**June 4-8**  
Class Week

**June 19-21**  
PROFITgroups –  
Countrywide group  
meeting in Fredrickton, NB

**June 26-28**  
PROFITgroups –  
Visionaries group  
meeting in Hobbs, NM

## Classroom Training

For more information  
about our classroom  
training and to make  
your reservation, please  
call 800.888.5564 or  
email  
[karim@profitsystems.net](mailto:karim@profitsystems.net).

## PROFITgroups

We are looking forward  
to seeing our  
PROFITgroups members  
at the next meeting. If  
you are considering  
becoming a  
PROFITgroups member

## And the Winner is...

*Kari Mills, CSA*

We want to thank everyone who took the time to respond to our annual survey this year. We would also like to congratulate **Dana McQueen of McQueen's Interiors**. Her company was randomly selected from the respondents and has won a **\$250 support credit**. Thank you, Dana, for giving us your feedback! All of our client suggestions are very important to PROFITsystems and we will give each one the attention it deserves.

We, at PROFITsystems, take pride in our responsiveness to client comments and suggestions. Thank you again for your responses.

## Top Ten Reasons to Sign Up for PROFITfreight

*Layla Berglund, Director of PROFITfreight*

10. Better offers! We currently have better discounts than the NHFA and beat every broker program we have priced against.
9. Better coverage. Our carriers offer nationwide service in six days or less.
8. No obligation. You choose how much you work with us or our carriers, and you are always eligible for the discounts.
7. Why not save whenever you can? Our auto-discount program saves you money without the extra work.
6. Great savings potential! The typical savings for a member working with a freight representative is between \$4,200 and \$40,000 annually.
5. Who else offers you discounts on your outbound shipments? The PROFITfreight discounts apply outbound as well as inbound.
4. Full-time experts at your fingertips. Call us with any of your freight questions.
3. No additional expense. PROFITfreight is FREE to any PROFITsystems client on maintenance.
2. Everybody's doing it! We are the largest buying group for freight in the retail furniture industry!
1. Your volume helps our volume and OUR volume helps YOU save!

[Click here to sign up now!](#) Or you call us at 866.754.4650 for more information.

## New Canadian Check Format

*Krissy Lanza, Conversion Coordinator*

A friendly reminder to our Canadian PROFITsystems customers regarding the new check format: As of June 2007, it will be required by Canadian banks that your checks have the date and amount field printed in a specific area of the check. We have included the new check format in our current software version, PROFITprofessional 11.2. For further information regarding the format change, please visit [www.cdnpay.ca](http://www.cdnpay.ca).

The need for you to convert to PROFITprofessional 11.2 is approaching quickly. For the latest conversion information, please contact our Conversion department at 800.888.5564 or [conversions@profitsystems.net](mailto:conversions@profitsystems.net).

## RoomChoices Hires Regional Manager

RoomChoices has hired Kirk Taylor as a regional manager who will serve as a liaison between RoomChoices, its dealers, and its manufacturers. Taylor comes to RoomChoices from Kanes Furniture Group, where he served as store manager for their Fort Myers, Florida location for five years. He has ten years of experience in the residential furniture industry.

"I'm excited to be a part of this company," Taylor said. "We're in the process of revolutionizing how independent

and would like more information or references, please call 800.325.2018 or email [phyllisz@profitsystems.net](mailto:phyllisz@profitsystems.net).

residential furniture dealers manage their business.”

Doug Bravata, vice-president of business development for RoomChoices, said Taylor will help gallery owners be as successful as possible. “He’ll be visiting our partners regularly, developing business plans, coordinating sales training and product information, providing updates, and helping with any operational, logistical or quality issues. His knowledge and abilities make him ideal in this role”, Bravata said. Taylor’s presence will help RoomChoices serve its gallery owners as the company continues to expand nationwide.

RoomChoices is a comprehensive, turnkey gallery program that links independent furniture retailers to a select group of manufacturers. The RoomChoices program provides quick, predictable delivery of competitively priced merchandise from 14 manufacturers who together offer the dealer choices from over 100,000 square feet of residential furniture. Dealers interested in learning more about the [RoomChoices](#) program should call Doug Bravata at 866.912.8080 x317.

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## Lessons from Down Under

*David McMahon, Senior Consultant*

I recently had an exciting adventure visiting a PROFITsystems client in Australia. The first thing that I observed is that Aussies are some of the most friendly people that I have met; and I’ve traveled and lived throughout North America, Europe, and Asia. They seem to look at the good side of life and are always up for a friendly and direct conversation.



**Janet Sheppard of Dare Gallery, Australia and David McMahon of PROFITconsulting.**

On the business side of things, they are resourceful. My PROFITconsulting client, Dare Gallery, like other Australian retailers, is faced with a business climate where the required minimum wage for all employees is above \$14 per hour, there is full employment (meaning everyone that wants a job has a job in the country, so it is hard to find people), and retail occupancy costs are much higher than in North America. At the same time, the economic expansion in the last few years has brought an increase in independent retailers. Competition is fierce for employees and for customers.

Dare Gallery has confronted these challenges with an energetic “glass is half full” attitude. They are working hard to become an even more efficient company in operations, selling, merchandising, inventory control, and inventory management and are developing a fantastic team to implement their improvements.



**Dare Gallery's, Richmond, Melbourne showroom – a top producer.**

I was particularly impressed with the management of their inventory flow. This is one of the key areas that has allowed them to compete and expand in their marketplace. Their inventory to sales ratio is less than 15% and they are achieving numbers that are better than NHFA high profit companies in sales per square foot, sales per employee, and GMROI.

It is no secret that some of the keys to doing this with any operation lie in establishing international and domestic

vendors with the right product price points that ship fast and with good terms. This allows retailers to carry fewer inventories, increase turns, GM, GMROI, and cash flow. Ultimately, the consumers get delivered faster. How many stores can say that their customers can special order a high quality, custom made sofa and have it in their home in three weeks? Dare Gallery can!

### **Dare's, Bayswater, Melbourne factory outlet and clearance center**

Fast delivery times are symptomatic of what has occurred with Australian manufacturers. They have either been forced to close their doors because of cheaper imports or become competitive. A few, like Dare Gallery's domestic vendors, have met the import challenge.



**Dare Gallery's, Bayswater, Melbourne factory-outlet and clearance center.**

I can't help but notice the contrast to the way the North American industry has gone. The traditional factory rep system remains in place while the largest manufacturers increasingly compete for market share by opening their own stores, competing directly with independent retailers. On average, North American vendor lead times and terms are poor.

I believe that the future of the North American independent retailer is to embrace efficiencies at all levels and to drastically improve competencies with respect to inventory management. It is the only way to prosper in a climate of increasing competition and operating costs.

Take a lesson from our friends *down under* – Have fun and become even more efficient!

Feel free to contact me and PROFITconsulting at 719.330.8583 or [davidm@profitsystems.net](mailto:davidm@profitsystems.net).

G'day Mate!

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## **Maximizing Customer Care Center**

*Toni Lester, Senior Consultant*

While talking to and working with PROFITsystems, Inc. clients, I've been surprised to find that most of our clients are not yet effectively utilizing Customer Care Center, which we affectionately refer to as "CCC". So, I thought everyone could use a refresher on the amazing benefits of effectively utilizing CCC. Keep in mind that Customer Care Center comes with an optional door counter that will finally give you the customer traffic counts you need to run your business.

### **Sales Floor Activity – Your Upboard**

First of all, CCC provides an automated upboard, the Sales Floor Activity screen. One great feature of Sales Floor Activity is that anyone in the company can easily see if a sales associate is available. No more unnecessary paging for a sales associate who is already busy! Another great feature is that sales associates can enter a sale right through the Sales Floor Activity screen. When a sales associate works with a customer that did not purchase, an Opportunity screen automatically pops up asking pertinent information about that sales opportunity and that customer, regarding advertising source, product interest, and reason for no purchase. If the reason for no purchase should require follow-up, another screen automatically pops up for the sales associate to schedule an appointment or follow-up task. Entering data in CCC is simple and your current customer database is already in CCC. When a sales associate enters information on a new or prospective customer, the information becomes part of your database. So, there is no more double data entry!

### **Priority List – Automated Customer follow-up**

CCC has a Priority List for sales associates and for sales management. Sales associates have an automated customer follow-up priority system to plan and complete customer related appointments and tasks. No more sticky notes or awkward client card boxes. Sales associates will never forget an appointment or a future sale, even if that sale is

anticipated next year, or beyond!

## Customer Central – First Stop for Customer Information

CCC goes even further. At a glance, there is Customer Central. Anyone in your company can open an on screen “client card” and see everything that has happened and is in progress with a customer. Opportunity History shows every time a customer came into your store, who worked with that customer, and all appointments and tasks right in one tab of Customer Central. Sales History, Open Sales, Receivables, and Customer Remarks are all on one easy to navigate screen.

## CCC Sales Management Reports – The Report Cards

For sales management, CCC delivers pertinent, real time reports to assist sales managers in the complex job of managing and following up with sales associates. Review or print Salesperson Effectiveness, Daily Priority, Daily Sales, Salesperson Status, or Traffic reports...it's all there in CCC.

## CCC Maximization Program – How to Set Up and Implement

So why are some companies not increasing their sales and developing clients for life with CCC? I think it's because retailers are busy and optimizing CCC takes some thought and setup. With that in mind, the PROFIT*consulting* team has developed a brand new program to help every store better utilize CCC, at a very low cost and low time investment. Our CCC Maximization program is customizable to your needs, available online, and usually takes just three hours.

## CCC Maximization Program and Benefits

- Overview of CCC key functions:
  - Sales Floor Activity
  - Customer Central
  - Priority List
  - Reports
- Analysis of your selling system and how best to use CCC
- Setup of CCC custom fields based on your company needs
- Action plan for working with CCC reports
- Custom action plan to implement CCC with your sales team

We're looking forward to helping you take your sales associates, sales managers, and customer service to the next level!! For more information, pricing or to schedule an appointment, please call PROFIT*consulting* at 866.298.3543 or email [info@profitconsulting.net](mailto:info@profitconsulting.net).

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## But We Have Always Done it This Way!

*Lee Rychel, Senior Consultant*

After literally hundreds of visits to PROFIT*systems*, Inc. clients throughout North America, we in PROFIT*consulting* are still amazed. We are amazed at how many dealers are hanging on to cumbersome business techniques they have been using for years and years, techniques that keep them from taking advantage of truly fantastic tools that are right at their fingertips.

Keep in mind, these are, for the most part, dealers who are using PROFIT*professional* software. Each of them is making support payments and many are paying PROFIT*consulting* to call on them. Selfishly, I should probably leave sleeping dogs lie and we can continue to visit with these dealers on a regular basis, making many of the same recommendations time and again.

Instead, I will take this moment to ask: Why are you using a computer system in your business? Was it because a vendor or buying group required it? You thought it would cut manpower costs? Your CPA said you should? (It certainly should make his job easier!) Take a moment and reflect on what it was you expected from this substantial investment.

We visit stores all the time who are diligently putting information into their racy, new, high powered software. Entering sales, taking cash, ordering goods, and then the wheels come off. Processes which automate purchasing, inventory management, payable processing, vendor and category analysis, salesperson performance analysis, and a host of other activities are left buried just a few clicks beneath those keyboards. They are buried because managers or owners just don't want to make any changes to the way they run their businesses.

We frequently try to explain to new dealers that the software isn't really a replacement for quality staff. A well run furniture or appliance store can rarely reduce staff just because they are now computerized. Unlike the manufacturing

industry, where robots replace workers, computers in retail operations typically mean moving task management from manual filing and filling out forms to data entry. So why bother?

In today's very competitive marketplace, think about what is going on around us. Does anyone really believe a Sears catalog sale is managed by people running around filling out paper? that UPS or FEDEX moves millions of items a month without being fully automated? How on earth can a little 7-11 store turn inventory three times a week, by making lists? Does the buyer for Macy's call the vendor on the phone and chat for hours while waiting for the rep on the other end to write down an order for summer fashions? Oh, and by the way, how old do you suppose the oldest piece of inventory is in that 65,000 square foot Macy's store? 8 weeks? 15 weeks? How old is your oldest item?

It's time to move on. If your business is hand writing PO's, keeping stock on hand because "it was a good deal", or not paying attention to loser vendors or categories, then you are going to get run over.

Every day, we work with dealers who have seen the light. These dealers are working the numbers, running the analysis, and constantly (not two times a year) tweaking their business. The only way they are successful making things happen is because they understand why they bought a computer system in the first place. It is not because, "We have always done it this way". Instead, they wanted to truly learn how to manage by exception. These dealers, what we consider power users, are not satisfied with simply "riding the horse that brought us". They understand the market is changing, and changing *fast*. Their goal is a better, leaner, meaner and more effective operation. These dealers don't trust their intuition to run the business, they trust the numbers. Managing by exception means they are constantly watching for new winners and new losers in inventory, vendors, and sales staff. They can identify service issues before they become service nightmares. They see a trend long before the sales staff starts whining about being out of a new good seller. These power users have no loyalties to anything other than success. They understand what is important to them and to their vendors and are constantly working on ways to improve or if the case merits, sever a vendor partnership.

Take this quiz:

- Can you say what percent of your inventory is over a year old? Which items?
- Do you know how to track a winner vendor or category? Do you really know what to look for?
- Who is your best upholstery salesman? Your worst?
- Which vendor's goods are causing the highest number of service issues? Which delivery team?
- What percent of your sales last month were with new customers? (You need 20% just to replace the ones who leave town or die!)

Power users not only know the answers, they are already, right this minute making the changes necessary to take advantage of this information. Right now, they are planning their takeover of a category or salesperson in your market. With only a few clicks, you can take your business into the fast lane. After all, do you really want to be seen tooling around in a '64 Chevy Bel Air?

PROFIT*consulting* offers the kind of one-on-one, in your face, using *yourdata* training that can jump-start your move from 1952 business practices to new methods your competition is *already* using.

PROFIT*groups* is a dealer's best bet to get involved with winners who are at every turn sharing ideas and techniques to improve their businesses. Get behind the wheel of that hot new sports car you already own, strap yourself in, and floorboard your progress in this new, high tech age!

Contact PROFIT*consulting* at 800.888.5565 or email [info@profitconsulting.net](mailto:info@profitconsulting.net) for more info.

The PROFIT*systems* E-Communicator is your best source for news and information on PROFIT*systems*, technology, and the retail furniture industry. If you need to know about our conferences, software, or just what is new around the halls of PSI, this is the place to find it. In conjunction with our website [www.profitsystems.net](http://www.profitsystems.net), we are working to provide you the most information in the most timely manner possible. If you have not registered for access to our online PROFIT*resource* Center, please sign up at our home page today!

Michelle Michaels, Editor

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