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Volume 4 - Issue 10 - August 2006

PROFITsystems E-COMMUNICATOR

Calendar

August 7th-11th
Class Week

August 14th
PROFITprofessional Version 11.2 is released!

September 4th
CLOSED for Labor Day

September 11th-15th
Class Week

September 12th-14th
Thomasville PROFITgroups

October 9th-13th
Class Week

October 16th-22nd
High Point Market

Classroom Training

For more information about our classroom training and to make your reservation, please call 800.888.5564 or email 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 would like more information or references, please call 800.325.2018 or email phyllisz@profitsystems.net.

August 14th – PROFITprofessional Version 11.2 is Released!

To schedule your conversion to PROFITprofessional Version 11.2 or to get more information, please call our Conversion Specialist at 800.888.5564 or email conversions@profitsystems.net.

Another Great PROFITuniversity!

Renee Thornton, Communications Manager

Our 20th biannual client conference, PROFITuniversity, held at the Rio All-Suite Hotel and Casino in Las Vegas was a huge success!

The conference started off with our popular Welcome Cocktail Party on Tuesday evening, June 13th, giving attendees a chance to network, catch up with old friends, and meet new ones.

Wednesday, the conference began with keynote speaker Cary Mullen, an Olympian and World Cup Champion skier. Thursday kicked off with keynote speaker Rob "Waldo" Waldman, a former F-16 fighter pilot and highly decorated combat veteran. These two amazing gentlemen gave motivating and inspirational presentations, focusing on different ways to attack fears and move on to happier and more successful careers and lives. What a great experience!

Following these fantastic keynote speakers were a variety of sessions with an emphasis on education and interactive sessions on new technology, retail furniture operations, advertising, inventory and store control, and round table discussions with furniture industry trend setters.

Just before the final day of the conference, everyone enjoyed a magical night of fun and laughter at the Penn and Teller Show.

Furniture World, NHFA/Home Furnishing Magazine, RoomChoices, Pervasive, and RouteView joined the conference as sponsors and speakers. Icovia and TruckSkin gave away wonderful prizes and they provided valuable information for clients looking into new technology and revenue streams.

A special thank you to: Shelley Parlin of Parlin's Furniture in Michigan, and Jeff Godby, James Godby, and Tony Burtron of Godby Home Furnishings in Indiana, for sharing their tips and techniques that have made their stores so successful.

Thank you all for another productive and fun client conference!



Tony Burtron, Jeff Godby, and James Godby of Godby Furniture in Westfield, IN. at PROFITuniversity 2006 in Las Vegas this past June.



Joining us at the PROFITuniversity's 2006 Welcome Cocktail Party are Shelley Parlin of Parlin's Furniture in Battle Creek, MI, along with LeAnn and Chet Hine of The Amish Connection in Albuquerque, NM



Also joining us at the PROFITuniversity's 2006 Welcome Cocktail Party are Eric Smith, Steve Hossack, and Joe Blackburn of Patio Enclosures in Macedonia, OH.

Increasing Profits through Networking and Resource Sharing

Phyllis Zaepfel, Director of PROFITgroups

Do you sometimes feel left alone to make all the difficult and costly decisions in your business? Wouldn't it be great to be able to share best practices with some of the leaders of our industry? Would you be interested to know if your financial statistics compare favorably with similar retailers? If you answered yes to any of these questions, you need to experience resource sharing through networking. A networking program offers a forum for owners to get away from working "in" your business and allows you to start working "on" your business. This is the beginning of successful resource sharing and networking.

How many of you want and need good ideas to give your business a much needed boost? During our PROFITgroups' meetings, we hear amazing ideas and the best practices that have allowed many of our group members to achieve double-digit profits. If you want to increase your bottom line potential, we have a great best practice to share with you: Networking and resource sharing are the most practical, economic, and entertaining ways of increasing profits and attaining personal success. Networking will further the interests of your enterprise and assist you in achieving both business and personal goals. Below we will explore the opportunities available for you to get started with this exciting opportunity.

Do you ever wonder why some people are more successful than you at achieving larger bottom lines, more sales, or just living a better life? This is especially frustrating if you feel you are better qualified, have more skills, or offer a better product. Often these highly successful people are considered to just be lucky or happen to be in the right place at the right time. Or could it be their networking skills?

Building strong relationships, which is really what networking is all about, is even more important today than in the past. We are living and working in a high-tech global environment where networking is not only a fact of life, but also a necessity. Networking among peers, industry experts, and associates typically results in discovering best practices and income generating ideas. All of these exercises benefit to the health of your business as well as your individual happiness.

You need to begin analyzing your business and personal network and search for ways to not only be good at networking, but discover how doing so can drive more dollars to your bottom line. The most important element of networking is resource sharing. Resource sharing among peers is without a doubt one of the best devices to have in your arsenal of business enhancing tools of the trade. It can also improve marketing, procedural issues, merchandising, and financial position, to list just a few. Resource sharing provides you with the tools to find the answers and advice you seek in business concerns as well as personal issues. Those who have utilized networking techniques have benefited professionally and personally by both receiving assistance and providing advice to others in our industry.

If you are interested in learning more about networking groups and resource sharing, call PROFITgroups at 800.325.2018.

What is Bar Coding REALLY Worth?

David McMahon, Senior Consultant

I just finished visiting a client that I see semi-annually and wanted to share with you how we answered an important operational question, "What is bar coding worth?".

Let me give you some background. This business is a two store operation, has projected sales for 2006 of \$3.5 million, has 35,000 square feet in recently expanded showroom and operates a relatively small warehouse of 7,000 square feet. They are pursuing an aggressive sales growth and local market domination strategy.

They have five above average performing warehouse employees, which include a warehouse manager, a driver, two helpers, and one part-timer. They all pitch in on duties such as receiving, transfers, delivery routing/scheduling, picking, delivery, customer service, and physical inventory.

So, here is the dilemma: they want to become more efficient without hiring extra employees premature of their expected increase in sales.

Solution: Bar Code.

Fine, prove it. What is bar coding REALLY worth?

To do this, we looked at where time was spent doing manual tasks that bar coding will improve on. Here is our conservative break down:

Receiving preparation – efficiency savings: 15 minutes per day; 65 hours per year (5 day week)

Manual: Printing receiving tallies and labels are necessary on a manual inventory control system because they show what is ordered, give a checklist, and identify what is received for customers.

Bar code: Now all they will need to do is print and sort the bar code labels ahead of the merchandise arriving. The customer names are on the bar code labels.

Physical receiving – efficiency savings: 30 minutes per day; 130 hours per year

Manual: As the merchandise comes off the truck, they check off the bill of lading, fill out the receiving tallies, and apply the non-bar code labels to the merchandise.

Bar code: With bar coding, they will scan and apply the bar code labels as the merchandise enters the warehouse. This is their check and balance. If there are any labels remaining, they would be short shipped. If they do not have enough labels, they would be over shipped. Any discrepancies will be noted and the bill of lading signed.

Computer receiving – efficiency savings: 45 minutes per day; 195 hours per year

Manual: From the receiving tallies, a data entry person enters all information into the software one purchase order at a time. It is then edited and posted.

Bar code: Significant time will be saved since all their items will be uploaded from the scanner either via batch or wireless systems. They will only check their piece count for missed scans.

Transfers – efficiency savings: 1 hour per day; 260 hours per year

Manual: To be able to find merchandise after they receive it, they need to assign it to a location. This involves their warehouse employees writing down each item and the location every time they move it. Then a data entry person transfers each location move in the computer. Timeliness is crucial and they are always behind.

Bar code: They will simply scan each item as it is moved and upload to their system. This can also be done automatically with wireless technology.

Picking, prep, and Customer pick up – efficiency savings: 1+ hour minimum per day; 260+ hours per year

Manual: Over and over, warehouse employees look around for merchandise prior to delivery or when a customer comes to pick up their furniture. This is embarrassing. Item locations need to be correct.

Bar code: This will enable them to find their merchandise FAST, vastly improving their customer service. The value of this alone was found to be worth it!

Physical inventory – efficiency savings: 160+ hours per year

Manual: To do a proper manual inventory, it involves many people and several teams writing down each item in their area. Then, a data entry team must reconcile and fix quantities and locations in the system. They might even shut their stores down. This kind of inventory is NEVER accurate and takes a huge amount of time. This hated practice is done once per year.

Bar code: They will never need to take a full inventory again. WOOHOO!!! They will schedule and perform proper cycle aisle and location inventories. There won't be any more hand writing and the reconciliation process will be automatic!

Selling – savings: unquantifiable, it's MASSIVE

Is there a more important time to know exactly where merchandise is than when a customer wants to buy it right now? How many times do designers call the warehouse to physically check for the availability of merchandise? Are there sold tags in the warehouse? These were our questions. Ask them of your operation.

Theft – savings: unquantifiable

Simply put, it is much easier to steal merchandise if the quantities and locations are wrong. People who commit this crime know this. Bar coding effectively closes this door. Do you know how much shrinkage you have?

The WOW CUSTOMERS bonus – become a retail leader, not a follower!

New features with RF bar coding will enable the sales associates to perform merchandise lookup and add items to a sale using a shopping cart feature. Do you want to stay ahead of your competition in the WOW factor?

So, what is bar coding REALLY worth?

For this growing \$3.5 million company, the gain in efficiency will be at least 1,070+ hours of labor or over \$14,980 each year. The other gains in sales advantages, minimizing theft, and wowing customers are even greater!

My biggest piece of advice is IMPLEMENT PROPERLY to get the most and the fastest return on your investment. Feel free to contact us at info@profitconsulting.net if you would like expert guidance and advice with this important project.

Written vs. Delivered Sales Analysis

Deb Wilkins, Assistant Manager of Software Support

Written Sales Analysis

A written Sales Analysis report will show exactly what occurs with a given sale on a particular date. If I write a sale today, and I delete it next month, when I look at my written sales for today I will still see the sale. If I look at my written sales for the following month, I will see the credit for the delete. If I run the report to include both dates, the result will be 0.00.

The common misconception is that when a change is made to a sale, it will change on the original sale date. This is not the case. Each change that is made to a sale creates a new line of data or information for that sale with the date of the change. The original information is never changed.

For example, a cost change for an item on a sale would result in seeing that sale on the written Sales Analysis report with a price of \$0.00 and the cost change amount on the date the cost change occurred. On the original date the sale was written, it is still going to show exactly as it was on that date.

Delivered Sales Analysis

A delivered Sales Analysis report will show the final picture of a sale, including any cost adjustments made for the item through payables. It will reflect the sale's cost, prices, salesperson, etc. as it was

the day the sale was billed. This information cannot be changed through enter sales. The only update that can be made to a delivered sale would be due to cost adjustments. If any of this information is incorrect, the sale would have to be reversed out with a credit memo the same incorrect way, and then re-entered correctly.

You may see a sale several different times on different dates on a written Sales Analysis report because each change made to that sale will be reflected on the date the change was made. However, a delivered Sales Analysis report will only reflect the sale one time as it was on the day it was billed and any cost adjustments made.

Contact Software Support with any questions you have at 800.888.5564 or support@profitsystems.net.

Tech Tip: Printing

Carrie Anderson, Systems Support

PROFIT*professional* 11.1 printing preferences allow users to setup printers easily, by choosing the user, print job, and printer. But if the printer is going to be used by others on your network or by the same user at different machines, we strongly recommend the name of the printer be consistent, i.e. the printer has the same meaningful name given to it at the time of origination on every computer. This will eliminate conflict when trying to print at different workstations, because the name of the printer will be the same through out the network. If the printer name does not match the users print preference, the user will be prompted to choose a printer; this leaves room for the user to make the wrong choice and possibly printing to the wrong printer.

For more information, contact Systems Support with questions at 800.888.5564 or support@profitsystems.net.

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, 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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