



PROFITsystems E-COMMUNICATOR

Calendar

February 6th - 10th
Class Week

February 27th - March 1st
PROFITgroups - Visionaries
Key West, FL

March 6th - 10th
Class Week

March 6th - 10th
PROFITgroups - Thomasville Group
Palm Springs, CA

March 28th - 30th
PROFITgroups - Kaizen Group
Memphis, TN

April 3rd - 7th
Class Week

May 8th - 12th
Class Week

June 13th - 16th
PROFITuniversity in Las Vegas

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.

MEGA Conference

Leland Rychel, Senior Operational Consultant is speaking at the MEGA Conference in Calgary on March 13th and 14th. He will cover:

- How to implement Customer Service into PROFITprofessional
- Understanding the General Ledger

For more information, contact Michael Vancura at MEGA: 800.361.5928 x230 or mikevancura@hotmail.com.

PROFITuniversity 2006

Renee Thornton, Communications Manager

We at PROFITsystems have a vested

When Should I Buy New Merchandise?

David McMahon, Senior Consultant



Showing the latest and greatest product lineup is vital to flourishing in today's competitive environment. It allows you to keep your floor fresh and it keeps your store fashionable by exposing your customers to the "hottest items on the market".

Herein lies the challenge! Of these new items, only a small percentage are, in fact, "the hottest items on the market". Time and time again we see that 20% of these new items are "HOT" and 80% are "DOGS"!

The "HOT" items sell while the "DOGS" sit. If you have 80% of your items sitting when it comes to buying new again, what should you do?

The answer seems obvious: Do not buy new at this time. However, I can tell you that in the field, we see the majority of furniture dealers completely ignoring this principle and buying new items, even though they have not sold or even displayed their "old new products".

This leads to the most costly of all situations, over-inventory and cash flow shortage. In fact, some companies go as far as buying new merchandise before they buy their best-sellers. Companies following these practices are never profitable in the long run.

You should only buy new merchandise when you are at a sustainable inventory-to-sales ratio. That ratio is 15 to 20% inventory-to-sales, including reserved, damaged, and nail-downs, no higher!

When you are above this level, your open-to-buy for new products should be \$0. Until your inventory to sales ratio is below the 15 to 20% goal, you should only be buying proven best-sellers and special order merchandise, on which you have received a 50% customer deposit. By following this simple guideline and routinely using proper inventory management, merchandising, and aging systems you will get to try new merchandise more often and have greater cash flow than ever before!

Manage by the numbers and don't be emotional when it comes to inventory! Buy new merchandise at the right time!

PROFITconsulting has a variety of systems and practices that are used by the most profitable and efficient furniture retailers. Please contact info@profitconsulting.net for further information.

2005 Annual Survey Winner

Kari Mills, Customer Satisfaction Agent

Congratulations to Sabrina Ruggiero of Paul Rich and Sons! She is our 2005 Annual Survey winner! She won a ticket to PROFITuniversity 2006 this June in Las Vegas (a \$1,095 value) for completing her survey and returning it on time. CONGRATULATIONS SABRINA!

We would like to thank everyone who filled out a survey and gave us feedback! This is how we improve our products and services to provide more value to our clients. Your help is appreciated!

Congratulations to Phyllis

Ricki Stark, Director of Retailer Relations

Phyllis Zaepfel, the director of PROFITgroups has been elected to the board of [Withit \(Women in the Home Industry Today\)](http://www.withit.com). Her position is director of networking. Withit's mission is to encourage and develop leadership, mentoring, education, and opportunity for women in the home furnishings industry. As a national organization created to foster the professional development of women in our industries, WithIt endeavors to involve both those who seek support and those in a position to give support.

Did You Know...

Michelle Michaels, Software Support Specialist

...that our current version of PROFITprofessional will sometimes have updates that include

interest in helping our clients be the most successful retailers possible. Our goal for PROFIT*University* 2006 is to produce the most useful, information packed event available. We want you to walk out of each

session wondering how you ever got by without the knowledge you received. That's our commitment to you: to provide the best speakers, the best information, the best presentations, and the best opportunities available in the world.

PROFIT*systems* 20th client conference will be held June 13-16, 2006 at the Rio All-Suite Casino Resort in Las Vegas, Nevada.

Call 800.888.5565 or email conference@profitsystems.net for information on early bird sign up prices.

enhancements and fixes for reported issues? Be sure to check www.profitsystems.net periodically for the latest update available.

To see if there is an update available, simply press F2 while at the main screen of PROFIT*professional*; your build date is displayed. Login to www.profitsystems.net, click on Downloads/Upgrades, and the latest build date available for each version will be shown. Updates are only done for the current version of PROFIT*professional*, which means that right now, we are only updating version 11.1.

For help installing an update, contact Software Support at 800.888.5564 or email support@profitsystems.net.

Attention Bar Code Users

Frank Lanza, Systems Support

We now have an update available for the Antares 2420 scanner. If you have been experiencing the following errors on your scanner, we would like for you to update the scanner software:

- Com1 Transmit Error 621
- Retry Limit

Please visit www.profitsystems.net to log onto our Solution Center, or to register if you don't yet have access. Contact Systems Support at 800.888.5564 or support@profitsystems.net for assistance

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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