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## PROFIT systems Upcoming Class Schedule

**August 9-13**

**September 13-17**

## Common Mistakes of the Furniture Retailer - Part II

Wayne McMahon, VP of PROFIT consulting

I have been involved in financial and operational systems, and systems-related retail consulting for over 30 years. During that time, I have found that there are several common mistakes that retailers make; mistakes that are very costly, but relatively easy to fix, with some professional help.

This month we'll cover the second of five common mistakes made everyday by furniture retailers.

### 2. Lack of Planning



Most furniture retailers got into the business, or expanded their existing operation, with a great deal of ambition and optimism. They might have inherited the business or perhaps a building that appeared

to be suitable for some sort of retail operation. Perhaps a family member had a

passion or a talent for interior design and seemed to be a natural to start a retail furniture

## Why your store needs a few jaw-dropping items



Borrowing from Coca-Cola, we'll call it "the pause that refreshes." For retailers, it's actually the unexpected distraction that grabs a shopper's attention and makes them stop and think. What do you have in your store that causes shoppers to do a

double-take?

Some furniture stores are so big, with room scene after room scene, that something needs to jump out and grab the customer's attention, shake them awake and force them to take note of your merchandise. Too few furniture stores display those wonderful items that get browsers to stop, smile or pull out their wallets on an impulse.

Consumers enjoy discovering new ideas, creative items, bold strokes or even outrageous statements. They may not always buy these items, but if they stop to comment or touch, it's a sure sign they are dropping their defenses and starting to enjoy your store rather than just giving it a critical once-over.

store. There was an appealing idea or other event that seemed like a great opportunity, so a decision was made to enter the retail furniture business. The business itself seemed to be simple - buy and display some nice furniture, run a newspaper ad, sell the furniture for twice the cost and bank the money. With such a lack of complexity, who would ever need a plan?

There are many factors common to successful retail furniture operations - location, proper store size, strong product assortment, great people, an effective marketing strategy, successful selling techniques and financial strength. If all of the key business elements are sound, your retail store will most likely be successful.

Many retailers get into business without a clear understanding of these primary factors and with no plan for their development. The typical result is confusion, at best, due to a lack of direction and foresight. Instead of working towards the achievement of those targets so essential to success, they are simply dealing with day-to-day issues and problems. The lack of sound and realistic initial business and financial plans often dooms a business to failure, right from the "get-go".

Planning does not begin and end with an initial plan, but is a continuing and evolutionary process. The failure to plan all aspects of the business, and integrate these fundamentals into a realistic roadmap for the future, means that pitfalls will be encountered which can ultimately endanger the life of the business.

Next month we'll cover the next most common mistake, inadequate training for your employees.

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## **Important Information about Extended Warranty Contracts for Janus 2020 Scanners**

There are many creative merchants who thrive on the unique. Let's start with Target, whose eye-catching use of style, texture, shape and color in everything from apparel to camping gear appears to be driving some changes in the aisles at Wal-Mart.

Many furniture merchants understand the use of surprise, whimsy, style, emotion, patriotism or anything else that redirects the shopper from his or her immediate mission. That's important because furniture is such a destination category that many people arrive in a sober and focused state of mind, at least as wary about making a mistake as they are excited about buying something special.

The 10-year-old boulevard concept developed by pioneers like El Dorado in Miami and Jordan's in metro Boston and adapted by others has proven to be an effective icebreaker. But it tends to chew up money and valuable floor space, so it's not practical for all stores. There are many less-costly options that can inject some eye-catching fun or style into a store.

The swarm of home accent resources found at major markets represents a huge opportunity for all furniture stores, not just design shops and high-end specialists. With accents, retailers can do so much more than just dress up vignettes. Creatively selected and displayed, home accents will cause the shopper to pause and refresh the imagination.

Over the years, retailers have told us why accessories are minimized rather than exploited, such as theft and poor turn rates and the pain of keeping track of a million tchotchkes in a warehouse geared for sofas and case goods. These are legitimate business issues that need to be solved, but not by throwing the baby out with the bathwater.

The big issue, we suspect, is having the artful eye that recognizes special items that will entertain shoppers and enhance displays. Some people are blessed with the talent to make those choices.

It's a smart retailer who makes sure his buying staff includes a specialist responsible for the pause that refreshes.

*- Tom Edmonds -- Furniture Today*



Intermec Technologies has notified us that they will not offer any extended warranty contracts for Janus 2020 scanners after December 31, 2004. Any contracts up for renewal will have a shortened term that will

end on December 31st. If you have any questions about this announcement, please contact our Sales Department at (800) 888-5565.

## Are you interested in receiving PROFITsystems E-Communicator?

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## Please DO NOT load Windows XP Service Pack 2

Microsoft is releasing Windows XP Service Pack 2 (SP2) in August 2004. Microsoft has completely overhauled the security system and infrastructure of Windows XP, and they will also introduce a new Windows Security Center that allows the monitoring of firewalls, Automatic Update and third-party anti-virus software.

While these changes are long overdue, **it will be at a cost to the consumer.** Microsoft has already openly stated many web-based applications and web sites will need to be corrected due to the changes SP2 will create. Because there are so many changes included with this update, we here at PROFITsystems ask you to please **refrain from installing Microsoft's Windows XP Service Pack 2** until we can thoroughly test it. We are currently using the beta versions to do preliminary testing. We should conclude our testing of SP2 approximately 30 days after its final release. Careful testing of SP2 must be completed to ensure our technicians are familiar with as many resolutions as possible to the problems that this update may cause. Until then, we **CANNOT** support SP2 for Windows XP and ask you to stop its automatic installation.

Watch the PROFIT *e-communicator* for more information. Once XP SP2 is released, you can get more information by e-mailing [support@profitsystems.net](mailto:support@profitsystems.net) or calling Systems Support at 1-800-888-5564.

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