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Volume 5 - Issue 7 - July 2007

PROFITsystems E-COMMUNICATOR

Calendar

July 9-13
Class Week

July 23-24
Advanced Retail
Education Class

July 26-27
Advanced Retail
Education Class

July 30 - August 3
Las Vegas Furniture
Market - WHFA Retailer
Resource Center 2nd
Floor, Spaces 16 & 17

August 6-10
Class Week

August 20-21
Advanced Retail
Education Class

September 3
PROFITsystems Closed
for Labor Day

September 10-14
Class Week

Classroom Training

For more information about our classroom training and to make your reservation, please call 800.888.5565 or email dawnu@profitsystems.net.

PROFITgroups

We are looking forward to seeing our PROFITgroups members at the next meeting. If you would like more information, please visit [our website](#). If you are considering becoming a PROFITgroups member or would like references, contact us at

PROFITon-demand

Shelley Parlin, Director of Professional Services

Many of you have expressed interest in moving to the newest version of our software, but were held back due to the expense of upgrading or replacing your server or other hardware.

By popular demand, PROFITsystems is now offering an on-demand solution, PROFITon-demand. We realize that you are experts in the home goods industry and may not have the expertise to handle the technical issues that go along with owning a computer network. Bringing in an outside technician is expensive and you have to trust that they know what they are doing with YOUR business' records. PROFITon-demand is the remedy to many of the IT headaches associated with the traditional on-premise software model.

What is PROFITon-demand? Until recently, software providers have traditionally delivered their software solutions exclusively by installing them on their client's internal computers, servers, and networks. Within the last few years, however, software vendors have begun receiving more requests from their customers to deliver their software as a service in a hosted environment. Clients want to avoid the expense and complexity of running these systems internally and simply want to enjoy the benefits of using the software. PROFITsystems has invested over a quarter of a million dollars to deliver a state-of-the-art remote hosting network option. With this system:

- PROFITsystems will house the server here, in Colorado, instead of you having one in your store.
- PROFITsystems will install the PROFITprofessional software and its' updates for you.
- PROFITsystems will have 24-hour monitoring and maintenance by IT specialists to ensure reliability.
- PROFITsystems will run nightly backups with IT industry procedures for safety and reliability.
- PROFITsystems will have a managed Firewall with Spyware and Antivirus solutions to keep your company's data safe.

If you're interested in finding out more about the remote hosted PROFITon-demand solution so that you can avoid having to install, maintain, and upgrade your own server, please contact us at 800.888.5564 or email shelleyp@profitsystems.net. We'll be glad to talk with you about the newest way PROFITsystems can help you.

Advanced Retail Education Class

Tari Ann Makings, Director of Education

PROFITsystems would like to extend this personal invitation for you to attend our next Advanced Retail Education course. This course will educate you in the utilization of the management and operational tools to help you manage your business and improve your bottom line. During our August course, the first day will be spent covering customer service and reconciling sub-ledgers, as well as merchandising. This is an excellent opportunity to learn, from our experts, how to work **on** your business, not **in** your business. The second day will cover the use of the PROFITlineup and how to use it to its full potential, along with a focus on the 5 SMART Steps, GMROI, and understanding the metrics of your business.

This advanced two day course will be held at our Colorado Springs headquarters on August 20-21, 2007. This course will be limited to 12 attendees to allow for the unique opportunity of personalized attention, while retaining the value of networking with other furniture store retailers. Please contact Dawn at 800.888.5564 or dawnu@profitsystems.net to reserve your spot today and receive a special introductory price of \$295.00 per person.

We look forward to seeing you!

Best Practice: Display and Pricing

To help maximize GMROI, it is critical to get non-displayed merchandise to the showroom floor fast, and to price it properly. This is how:



- On Monday, print a Merchandise to Display report (MDR) (Print / Reports / Inventory / Merchandise to Display) for the previous week's receiving. This will show you all of the new items that have entered your stock and any reorders that you ran out of that are not on display. Make sure it all gets to the floor by Friday. Your merchandise will be ready for the higher traffic weekend days. You will provide maximum product selection for your customers and salespeople, and your sales will increase as a result. Ignoring this task will cause merchandise to sit longer in your warehouse and result in the loss of cash.
- Create a Merchandise Transfer Order (MTO) (Activities/Inventory/Location Transfers) from the MDR. Show your costs and retail prices. These MTO's allow for better inventory control, verification of margins, professional picking and preparation, and more immediate price tags. If you don't want your warehouse to see your costs, simply reprint the MTO without costs.
- Send your MTO to the warehouse manager. He will use it as a picking and preparation list. This will allow him to pick from the correct location faster. Ensure that all items are prepped prior to shipping.
- The warehouse transfer person should then move the product to the floor and communicate with the merchandiser for proper display. Both employees sign off on the MTO. This will provide accountability for the work that is done.
- The merchandiser should evaluate the merchandise and the system recommended pricing, costs, and margins to determine the actual pricing. Perceived value and appropriate price points will add a massive amount to your profit. Little things make big differences!
- Change prices in the system where necessary.
- Print custom, system generated price tags using your MTO number (Print/Labels and Tags/Price Tags/MTO). Your floor will appear professional and clean.
- Finalize your MTO (Activities/Inventory/Open Merchandise Transfers/Finalize).

Wow – eight steps! “How long will this take?” you might ask.

This entire process should take two days, at most. It only takes a few minutes to print MDR and a few more to create an MTO. The warehouse should be able to pick, prepare, and move the merchandise within two days. Printing price tags and finalizing the MTO are done in minutes. Not doing this leads to “seat-of-the-pants” displays that are done when you get around to it. You risk losing control of locations and getting less margin on your product.

Implement this best practice system and you will have an increase in sales, cash flow, and GMROI. You can contact me for professional guidance at 719.330.8583 or davidm@profitsystems.net.

The Life and Death of Management Reporting

Joanne Gulnac, Director of Software Support

Management Reporting was added into our core product back in version 10.1. It was a collaboration of reports that were developed by Ashley for HomeStore owners. It was written in Java and utilized Adobe PDF as the report viewer and introduced a new menu and reporting layout style.

However, shortly after adding it to our core product, Ashley discontinued further development and maintenance on this reporting product. Unfortunately, as we continued to make enhancements to PROFIT*professional* and changes to the programming logic, the Management Reporting module became less reliable and less stable. We have done our best to keep this reporting module in our core product for as long as reasonably possible, but starting in PROFIT*professional* version 11.2, it is only available by special request and through the custom Ashley preferences. In version 11.3, due out by year's end, it has been completely removed.

PROFIT*systems* realizes the popularity of this reporting module and has been very busy developing replacement

reports to add directly into our core product in preparation for its permanent removal in version 11.3.

In Version 11.2 we added or improved the following reports:

- Delivered Sales Tax Report (Print/Report/Sales/Tax/Delivered)
- Inventory History (added received items only option) (Print/Reports/Inventory/History)
- Purchase Order History Report (Print/Reports/Orders/History)
- Sales Changes Report (Print/Reports/Sales/Changes)

In Version 11.3 we added or improved the following reports:

- Inventory Best/Worst Sellers Report (Print/Reports/Inventory/Best/Worst Sellers)
- Customer Debit Balance Report (Print/Reports/Receivables/Customer Debit Balance)
- Inventory Backordered Items Report (Print/Reports/Inventory Backordered Items)
- Inventory Aging Report (up to 90 days) (Print/Reports/Inventory/Aging)
- Inventory Item Listing Report (Print/Reports/Inventory/Items)
- Comparative Sales Report (Print/Reports/Sales/Comparative Sales)

All of the reports added into PROFIT*professional* versions 11.2 and 11.3 use the new Crystal Reporting format for improved ease of use. This allows the users to save their individual print preferences, print logos on the report, and even schedule after hours batch printing. In version 11.3, the ability to email these reports directly from the print menu screen will be added.

If you have further questions about the future report options available to you, please contact us at 800.888.5564 or support@profitsystems.net.

Updating vs. Upgrading – What’s the Difference?

Krissy Lanza, Conversion Specialist

When speaking with our support departments, you will hear recommendations to **update** your software, or when new features are available, you will be urged to **upgrade** to a newer version. Sometimes it’s difficult to determine the difference between these two terms and really understand what this means for your software.

With our current version, PROFIT*professional* 11.2, we make changes to our programs, if needed, once a week. These changes are compiled into a weekly **update**, which we also refer to as a “build”. These programs are always available on our website and you will generally want to update your programs at least once a month. An update does not change the version of PROFIT*professional* you are currently using, it simply keeps your system running on the latest programs available for the software. So, if you load an update for 11.2, you will still be running that version of the software, however you will now be on the most recent program build for 11.2.

When you **upgrade** PROFIT*professional*, you will actually change versions of the software. For instance, an upgrade would be migrating from PROFIT*systems* software version 10.3 up to PROFIT*professional* 11.2. Our support departments will typically call this **converting** from one version to another. Upgrades require the assistance of our Conversion Specialists and this process is a scheduled event.

If you have any questions on how to update your software or would like information on upgrading to the latest version of PROFIT*professional*, please contact us 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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