



PROFITsystems E-COMMUNICATOR

PROFITsystems Upcoming Class Schedule

October 4-8
November 8-12

Our New Web Site!



PROFITsystems is pleased to announce the opening of our new Website! The new look and feel houses new information, articles, online help, FAQ's and much more. We've worked especially hard to make our new website more informative and easier to use.

We would also like to take a moment to make you aware of an important change to your account on the PROFITresource Center. Please note that your **email address will now be your current log in name** (the email address you gave when registering for access to the Resource Center). Your password will remain the same, but user names are now converted over to the email address we have on file for you.

In addition to this change, you will also be able to update your account information online! You will now have the ability to change your password, update your email and company information with the click of a button.

If you haven't visited our website recently, take a minute and pay us a visit at www.profitystems.net. We think you're going to like what you see!

Free Support For Your Freight Bills!

"Win a free month of software support! We register your company for a free month of support once for every freight bill you send us - send us 100 and you are entered 100 times! We are compiling the United States' largest freight bill data base for independent retail furniture stores. This data is used in determining averages, highs, lows and differential pricing data between carriers. Enter today!"

Common Mistakes of the Furniture Retailer - Part III

Wayne McMahon, VP of PROFITconsulting

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 third of five common mistakes made everyday by furniture retailers.

Inadequate Training



Many retail furniture stores have provided their employees with great training programs, which have yielded outstanding returns in employee morale, enhanced productivity and outstanding bottom lines. These business people have learned that an investment in the development of their people truly provides rich rewards, with ongoing growth for their employees and ongoing profitability for themselves.

Sadly, there are some business owners who do not recognize the inherent value of good training programs and the benefits of initial employee training, followed by an ongoing educational or professional development program. Sometimes, the cost of the training program might initially appear to be unacceptably high, and for that reason, the educational development program might never get off the ground. The decision is therefore made to leave it up to the employee to self-learn the particular system or procedure. This abrogation of the responsibility to educate and train most often leads to failure.

The employees are frequently left to learn the procedures on their own, when time permits, in a "sink or swim" environment. Systems are developed which are inefficient at best, and counter-productive at worst. The employees become disenchanted and unhappy with themselves, their jobs and the company.

At all levels, employees of retail furniture stores including management, administration, sales, purchasing, customer service, and warehousing and delivery personnel absolutely must be provided with proven, mandatory training and educational programs. To expect any other system to result in the skill sets your people will need to acquire to move the company forward is self-delusion.

Next month we'll cover the next most common mistake, failure to use proper financial controls

Improve Profitability by Networking



As an independent furniture storeowner do you sometimes feel alone and left by yourself to make all the difficult and costly decisions in your business? Decisions that make the difference about the profitability of your firm? Do you wish you had a surrogate Board of Directors available to help with the tough decisions? How about being able to share best practices with some of the leaders of our industry? How do you know if your financial statistics compare favorably with similar size and product category retailers to your operation? If you answered "Yes" to any of these questions, then you have the same questions that plagued the automotive industry more than 70 years ago.

Yes, General Motors saw this problem and decided to not only address the problem, but to do something about it. In reviewing their dealerships throughout North America, they saw dealers that excelled in new car sales, others in used cars, some with great performance from the mechanics shop and others with high customer retention statistics. Rather than trying to improve on weak areas in each of these dealerships, which would have been far too costly for each independent dealer, they formed what are today known as Twenty Groups. General Motors joined together a maximum of twenty, non-competing dealers, of similar volume and distribution profiles and had them meet off-site from any dealership. Their meetings were professionally facilitated and kept to a strict agenda during their two days of meetings. All cell phones are turned off and interruptions are not allowed. This is a time for these owners to get away from working "in" their business and work "on" their business.

PROFITgroups uses this same concept for furniture retailers. Prior to the meeting, all members submit their financial statistics for a one-year period. Before the meeting they receive a composite of all members' financials. A major portion of one day is spent comparing the financials from one retailer to another. Comparisons are made and ideas shared on how to lower expenses and increase revenues for each company. One retailer might have a problem area that another retailer excels in. It is like having your own Board of Directors to help make your business better and better. And there is no worry about competition between members so they are free to share ideas and suggestions.

Ever been to a conference or convention and wished the speakers addressed topics that would make a difference in your business and not some random subject that doesn't address the needs of your business? Prior to each owners' group, members submit discussion topics they would like discussed at their next meeting. Imagine bringing a challenge you are experiencing in your business and asking the advice of others that may have experienced the same situation in their own business. What better advice could you receive than from experienced owners? This reminds me of a real life example of how owners' groups can help with difficult decisions.

As you can see an owners' group is the future of the independent furniture storeowner. PROFITgroups will transform your good intentions into great results. This time-tested, field-proven owners' platform brings together highly motivated CEO's and store managers. Coming from all over North America, they share profit secrets, best practices, advertising tips and financial benchmarking to maximize each store's bottom line. Don't wait--make the decision today to do the one thing that will immediately affect the profitability of your company. Join a PROFITgroup.

The PROFITsystems E-Communicator is your best source for news and information on PROFITsystems, 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.profitystems.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 PROFITresource Center, please sign up at our home page today!

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