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campaign name: e-Communicator September 2008

subject: PROFITsystems September 2008 e-Communicator

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Preview your work.

Here, you can preview both versions of your campaign: html (delivered to everyone who can receive html) and plaintext (delivered to anyone who can't). From preview, you may go back and continue working, or press on to proof your work and, when ready, send.

For more help with campaigns, visit our [self-help section](#).



Calendar

September

- 1st
PROFITsystems **CLOSED**
for Labor Day
- 8th - 12th
Daily Process
Training Class
- 9th - 11th
PROFIT *groups*
Thomasville, Seattle, WA

October

- 6th - 10th
Daily Process
Training Class
- 20th - 24th
High Point Market, NC

November

- 3rd - 7th
Daily Process
Training Class
- 27th
PROFITsystems **CLOSED**
for Thanksgiving Day

Training Classes

For more information about our classroom training and to make your reservation, please contact Dawn at 800.888.5565 or dawnu@profitsystems.com.



PROFIT *groups* facilitates highly motivated groups of similar retailers who want successfully field-tested and time-proven answers to their biggest challenges. Members meet twice per year in a relaxed, content-rich setting to share Best Practices and help each other to achieve their double-digit profitability objectives. Owners measure their financial success against industry norms, network to improve GMROI and inventory management, lower both fixed and variable expenses, and improve efficiencies. For many years, this program has helped hundreds of retailers achieve financial success for themselves, their families, and their

The POWER of e-Marketing

Tip #2 to "Step Into the Modern World of Customer Relations"

David McMahon Business Coach

Last month we announced our e-Marketing package. I want to extend a special thank you for those of you who requested demo's and have chosen to improve your business. You will strengthen the bond with your customer and out-market your competitors! Nice going!

Also, last month I gave the first of ten tips of e-Marketing: Deliver VALUE to your customers and get VALUE in return. Here is #2:

Get Email addresses by Asking for PERMISSION!

Living by this practice will define you as a value provider as opposed to a spammer. Asking for permission means to tell the customer what they will be getting. By asking, "Do you have an email address?" and then sending them a promotion is NOT asking permission and will NOT get decent campaign results. It could alienate your customers. Instead ask them:

"To keep you informed (on your order), Mrs. Customer, we can use email to save time. Do you have an email address?". Then ask, "Would you also like to receive our newsletter, 'San Diego Style' and be part of our preferred customer list that receives special deals when they are offered? Oh, and on birthdays we give presents."

Your results will be better. Those customers that receive your newsletters and occasional promotions to will expect it. They will open it and interact with it a higher percentage of the time. Guess what? They will come back to YOU, not your competition, when considering their next room project.

Yes – your email list may build slower. But give me slow and good any day over fast and bad.

QUALITY BEATS QUANTITY

Other ways that you can build your email list are:

- Have a sign-up contest box at your store.
- Put a link on your website to an automatic sign-up.
- Include a "forward to a friend" link on all e-Marketing campaigns.
- Include a link to auto sign up on all regular emails.
- Provide a link address on all traditional "paper" media.
- Do a direct mail – prepaid mail promotion.

You can build a fantastic email database that will be a massive asset to your business VERY quickly.

employees. This program is designed to help you take your business to the next level.

We are looking forward to seeing our PROFIT *groups* members at the next meeting. If you would like more information, please [visit our website](#). If you are considering becoming a PROFIT *groups* member or would like references, contact us at 800.325.2018 or phyllisz@profitsystems.com.

Using Help

Gerald Gary Senior Software Support Specialist

Are you using the available Help features in PROFIT *professional*? Do you know you can get Help from within any application by pressing the F1 key? Many PROFIT *professional* users are not aware of the Help features within the software, or do not have it set up to work on their desktop. Help needs to be set up on each workstation (non-PROFIT *on-demand*, non-terminal server). There is a security setting that needs to be selected in the internet options of Internet Explorer. You should not have pop-up blockers running either from Internet Explorer or from an add-on toolbar such as Google. If you currently do not have Help set-up and working on your workstation, please give us a call at 800.888.5564 and we will set it up for you.

Using Help is simple. A number of options (which are explained below) allow you to quickly find any Help topic.

Note: To instantly view the Help topic when you are in any application, simply press the F1 key. This is the quickest way to bring it up with no searching. Alternatively, you can click the word "Help" in the upper left corner of each application screen and then click the words "How To..." This will bring up the same specific Help topic that you will get by pressing the F1 key.

Contents

To display a list of available "books", click the "Contents" tab.

To view the topics within each book, click the book. To then display a Help topic, click the topic to open it in the document window.

To close a book, click the book.

Index

To select a topic from the Index, click the "Index" tab.

In the "Type in the keyword to find:" search field, type the first few letters of the word you are looking for, or the entire word (s). With each additional letter that you enter, the index narrows the search to match what you have entered with the topics that are indexed in the list box. When you click the topic that matches what you typed, it will display in the document window. If a keyword or phrase appears in more than one topic,

Our e-Marketing package connects your database to our campaign and result tracking software. We can show you the path to success. If you have not had a demo yet, just click this link and we will contact you to set an appointment!

Click here for: [e-Marketing Demo Request](#)

Thanks for reading!

Your Business Coach,
David McMahon
719.330.8583 davidm@profitsystems.com

**HOT OFF THE PRESS ANNOUNCEMENT:
e-Marketing now supports SMS text messaging as well as interfacing to targeted email campaigns!**

Why is this important?

Example: An Ashley HomeStore franchise recently reported that it produced over \$130,000 on a four day sale with only email and SMS text. Proof enough?

Contact David McMahon at davidm@profitsystems.com to demo our e-Marketing package.

PROFIT *freight* Celebrates \$2.5 Million in Member Savings!

Layla Berglund Director of PROFIT freight

PROFIT *freight* recently reached a significant benchmark of over \$2.5 Million in overall membership savings to date. Our freight discount group-buying program, currently represents over 450 members with more than 1800 locations in the US and Canada. Our primary purpose is to negotiate freight discounts for our entire group and pass them on directly to our members, with no mark up and no hidden fees. Whether you are a 1 store operation or a 20 store operation, once you are enrolled in PROFIT *freight*, you will get the type of discounts that can only be offered to a group of our size. As you may recall, all of our top freight savers in 2007 had savings figures in the tens of thousands of dollars. Your company could be any one of those top savers!

How about you? Right now, with the going price of fuel, freight can absolutely kill your gross margins! Are you currently doing something to save money on your freight? Have you signed up for this free benefit of your maintenance package? Have you worked with a freight specialist to find savings opportunities for your company? If you answered "no" to any of these questions, here is your opportunity to start putting money back in your pocket, instead of the pocket of the carrier or the manufacturer. You spend enough with them already. They have their own interest in mind. Sign up today and work with a professional PROFIT *freight* representative who is looking out for your money and your interest!

Click here to: [Become a member today.](#)

The Top Ten Ways to Really Mess Things Up

David Lecher Business Coach

In my travels around the country, I am often absolutely awed by the best practices I see on a regular basis. There are so many companies doing so many things right. (In many cases, we have

a submenu will appear beside your choice, displaying all of the topics that match your search criteria. Click the one you want to display.

Search

If you do not know the topic name, click the "Search" tab to search for topics that contain a specific word or a specific string of words.

In Help, click the Search tab.

In the search field, type the word(s) or phrase you want to find and click the Go button.

Topics that contain the word(s) or phrase appear in the list below it. In the list of topics, click the one you want to open.

Note that the text of each topic found contains the word(s) you looked for, even if the word(s) are not in the topic title.

Tips: If you want to look for more than one word, separate them with spaces in the first search field. When you look for hyphenated words, be sure to type the hyphen. If you do not know the topic name, click the "Search" tab to search for topics that contain a specific word or a specific string of words. In the "Type in the word(s) to search for:" search field, type the word(s) that you want to find. Then click the "Go" button. A list of possible topic matches will display, from which you can select to narrow your search. In the list box, click the topic you want, to display that topic in the document window.

Glossary

The Glossary provides a list of defined keywords. Click on the "Glossary" tab to open two panes. The "Term:" pane at the top displays a list of all words for which meanings have been defined. Click on any one of the words to display its definition in the "Definition:" pane below.

Print

You can print by:

- Clicking the "Print" button.
- Right-clicking on the Topic in the Contents list box and selecting "Print Target".
- Right-clicking in the document window and selecting "Print".

When you choose Print from any of these options, a Print window displays. Select the printer on which you want the Help topic to print and then click "Print".

Help is a great feature when you are trying to figure out how to do something in PROFIT*professional* and you don't want to call us, or the Help Desk is closed and you need to get something done as soon as possible. It is a good resource for those times when you need a quick answer on how to do something. If you need your Help set-up, please give us a call and we will get it set-up for you.

partnered with them to get them where they are and now continue to help them to get better and better.) They're bright, entrepreneurial people with wonderful personalities and a tremendous desire to succeed. They love their people and love the business they're in, and it is an absolute pleasure to work with them.

At the same time, there are tremendous opportunities for many stores to increase their sales and ultimately, their profitability. The same entrepreneurial spirit, wonderful personalities, and the same desire to succeed exist. Yet, there are major taboos happening out there right now, everyday, and these owners are blind to it. Why? The favorite response is because "that's the way we've always done it". Failure to think outside the box is one of the leading causes for company stagnation, and ultimately, business suicide.

So, with apologies to David Letterman, here is, one business coach's perspective, on the Top Ten Ways to Really Mess Things Up (and what to do about them):

10) Treat your vendors as your enemy instead of as your partners.

When factory representatives arrive, do you welcome them and treat them as part of your family? Or instead, do you burden them with everything they and their factory are doing wrong? Who better to help you with merchandising decisions and training your sales staff than a representative you have a positive relationship with, as opposed to the adversarial attitude we take with so many of them? While they should not be training your staff how to sell, they are a wealth of valuable product knowledge that should be tapped into on a consistent basis.

9) Treat your employees as indentured servants instead of as the key to your success.

You can see this one a mile away. The staff all walks around with slumped shoulders, avoiding the owners every chance they get. They do exactly what their job description says and not one bit more (if they even have a job description) and they never, ever have their performance reviewed. Is this the type of person we want greeting our customers when they walk in the store? Or delivering the customer's merchandise, potentially the last link between your store and your customer? You must treat your people as your business partners. There is no way for you to do it all which makes the right staff critical to your success.

8) Refuse to invest in training.

No one likes to work in a job they are not prepared for. Whether it's the CFO or the janitor, training is necessary to make sure that the job gets done right on a consistent basis. When we talk about the issues at the point of sale, the situation becomes that much more critical. It is imperative that these people are comfortable both with the merchandise that you carry as well as the sales process itself. Your store should develop a selling system which puts every one on the same page with every customer ensuring that everyone who enters your store receives an equal and specified level of service as determined by you and not individually by your sales staff. Wouldn't it feel good to know that your customers always received the utmost in service, regardless of who helped them? We continue to spend 5-7% on advertising, put unskilled sales staff in front of them, and then complain that the advertising didn't work. Do you see the problem there?

Sales isn't the only area where training will more than pay for itself. Operational training and getting the most out of your software investment will provide a great return on investment as well.

7) Fail to invest in your facilities.



Coaches Corner by PROFIT consulting

Here are some of the products and services that we currently deliver:

- [New!!! 2008 Product List](#)
- [e-Marketing](#)
- [Performance Groups](#)
- [Business Analysis & Recommendations](#)
- [Financial Forecasting](#)
- [Inventory Management Systems](#)
- [Financial Management](#)
- [Customer Service Systems](#)
- [Operations Consulting and Procedures](#)
- [Delivery Routing Systems](#)
- [Sales Management](#)

Contact PROFIT consulting at <mailto:info@profitconsulting.net> [subject-](#).

As the building and landscaping begins to deteriorate, so do the sales and profits for the company. Customers smell this and instinctively stay away. No one wants to work in a building that is falling apart either. Keep the stores and warehouses updated on a consistent basis so the collapse doesn't happen. Simple daily maintenance is a must. Clean floors, windows, and bathrooms say a lot to your customers. How you take care of your store is how they perceive you will take care of them and their products, so do it right from the start. When the light in the sign burns out, replace it, NOW!

6) Deliver inefficiently.

Run many trucks, many directions, and many days. Don't call and confirm deliveries and don't use a routing product to make sure the deliveries are scheduled in the most cost effective way. Don't properly prep the merchandise so that you can make multiple visits to the same customer (costly in dollars as well as customer satisfaction). While you're at it, make sure your trucks go out each day filthy and dirty with your logo peeling off, you'll be sure to impress all your current and potential clients.

Instead, why not use a delivery and routing program to get the most efficiency you can from your delivery teams. Inspect every item with "white glove" treatment, and better yet, have a female member of your staff look over every item before it's delivered, as she will have a much more critical eye. Keep the trucks clean and maintained at all times, and replace damaged logos as soon as possible.

5) Do not provide enough quality staff to maximize your traffic.

When you don't have enough staff to *effectively* handle the customers who are coming in, sales and profits are sure to decline. Sales staff should not be seen as an expense but rather as an opportunity to increase sales and provide a higher level of customer service. The number one reason for stores failing to reach their goals is a lack of trained and able staff.

4) Reduce advertising to the point of no return.

Out of sight equals out of mind. When business gets tough, it is imperative that you keep your name out in front of potential clients, especially those that have bought from you in the past. Target market your existing clients on a continuous basis and you will drive more qualified traffic to your store. Statistics prove over and over again that it is far easier to sell something to a repeat customer than it is to try and create a new customer for your store. The newest wave of innovation here is permission e-Marketing. Send your "stuff" to clients who want and request it and you will receive a much greater return on investment, plus you will gain the ability to monitor the total effectiveness of every campaign you run.

3) Overstock, overstock, overstock.

Maintaining the inventory to sales ratio of less than 20% is critical to the health of your business. Far too often we continue to buy on the same schedule we always have even though sales are not as strong as they once were. Utilizing the inventory management tools available will allow you to maximize this all important asset and free up cash to invest in other things (see training above).

2) Out of stock, out of stock, out of stock.

Just as important to the success of your business as overstocks, being out of stock on your best selling items can have a huge negative effect on your business. Utilize the Purchase Advice Report (PAR) to help you maintain the winners in stock on

a consistent basis and prevent lost sales due to the fact that the item is not available now. The goal should be to maintain the top 20% of your item range in stock at least 95% of the time, not something that is easily done in your head.

And the number one way to truly mess up your business.....

1) Treat your customers as an intrusion in your day, rather than the critical component of your success that they are.

I've heard it said that if it weren't for salespeople and customers our business would run so smoothly. Well yes, it would, for awhile. But until somebody buys something (and therefore until somebody sells something), absolutely nothing happens. No money changes hands, no manufacturing plant starts to work, no office staff needs to process, and no delivery team needs to deliver. So, it runs smoothly for awhile and then nothing. When you get right to it, it is the customers and salespeople of the world that make everything happen. Remember that the next time you get interrupted by a customer or a salesperson.

To contact David directly please email davidl@Profitsystems.com or call 480.734.4449.

David has over thirty years of experience in the home furnishings industry and brings a wealth of knowledge to PROFIT consulting in the areas of Organizational Development, Sales Management, Sales Training, Operations, and Merchandising, as well as a thorough understanding of the day-to-day needs of a business.

Why Some Businesses Prosper Even in Slow Times - Part 2

David McMahon Business Coach

Inventory Management Best Practices



NHFA'S HOME FURNISHINGS RETAILER - July
Issue pages 56-61; <http://www.nhfa.org/>

In my previous article, I discussed how best-practice financial management helps businesses evaluate their performance and set goals for improvement. Now, I will focus on improving cash flow by becoming more efficient with your largest asset: your inventory!

Understanding the practice of inventory management is simple: carry as little inventory as possible, sell as much from it as possible, and achieve the highest margin possible.

Well, if it were that easy, then we would even have more competition in the marketplace today.

Obviously, inventory management is a HUGE challenge!

[Click for the full article.](#) Thanks for reading!

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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 PROFITsystems, this is the place to find it. In conjunction with our website www.profitsystems.com, 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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