

# R.J. Calio Consulting, LLC

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Retail Systems Consultant

## THE TECHNOLOGY PLAN

### The first step:

The development of a technology plan has long been considered a critical process for large corporate businesses. Typically corporations when merging various software applications and hardware platforms have a goal to be able to access to data across various software applications. They also want to maintain a growth path by achieving compatibility with the various hardware platforms. It was also critical to preserve their options for incorporating new software applications and hardware upgrades.

That same concept applies today to the independent retailer. It is not just the accounting functions or the inventory control functions that must be considered. The reality is that the small independent retailer must have a broader vision of his technology needs both today and for the next five years.

The plan must encompass the following elements:

- **Hardware**: The hardware and network will be the backbone of the system. There are obviously a myriad of options when considering hardware and operating systems. They are too numerous to discuss in an overview. Suffice it to say that you should avoid proprietary systems. In addition, be sure your software is an open data base format and your hardware is OLE (object linking embedded) or OPOS (OLE for point of sale). Both of these standard were developed to design compatible hardware peripherals
- **The Software Applications**: It is essential that a thorough software needs analysis be developed. In essence you are reducing to paper in detail the features and functions that are required from the software you will be using. In the case of an inventory - control/point of sale system, these requirements will be broken down into the following functions: Inventory management, Point of sale, Purchasing and Receiving, and Customer Management. This document will be used to score and evaluate software vendors.

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- **Customer Relationship Management:** The ability to collect customer information and other sales activity data is now available. The utilization of this information will be the foundation of a customer management plan. The goal is to better understand your customers in order to enable you to attract new customers and retain the best and most profitable of your existing customers. Customer Relationship Management is becoming a cornerstone of forward thinking retail management.
- **The Internet:** This is the fourth leg of our technology plan and the leg that dove tails into the other three. The hardware, software, customer relationship pieces of the plan will all affect your Internet strategy. You can decide to have a passive, active or a full e-commerce web presence. Simply defined, a passive site acts as an enhanced Yellow Page ad. An active site will disseminate current information about your store, sales, promotions, etc. You might also have an e-mail component to facilitate communication to and from customers. The full e-commerce site would include all the features of an active site and also allow you to sell products and fulfill orders.

There are many technical issues to consider in each of the components of the technology plan. The ultimate goal when investing in technology is to maximize your investment, and preserve your option to activate the various components of the technology plan at the appropriate time.