

SYSTEMS

P.O.S.

Six Easy Steps to Choosing a P.O.S. System

Understanding your needs aids in the process

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Choosing the right point-of-sale (P.O.S.) system for your store can be a confusing project. Where do you start? What questions should you ask? How much technical expertise do you need?

As a retailer you must recognize the need for continuous improvement in your business to survive and grow. In today's competitive environment the right technology is absolutely an essential tool for providing critical information essential for your survival and growth.

Step #1 Before You Start

Address the following issues/questions:

- Why are you investing in a new system?
- What are you trying to accomplish?
- Is your store ready to take the step? Are there any internal cultural issues that you need to address? The way people think is more important than the tools you provide for them.
- Establish a budget for the project; 2-3 percent of retail sales is a rule of thumb.
- Should you buy or lease? Determine

how you are going to pay for the system early in the process. Your accountant can advise you on what works best for your business.

- P.O.S. is not sufficient: The goal is to achieve true front to back inventory management system and customer tracking system.

Step #2 Planning

Evaluate software vendors and select the right system for your store:

- Develop a systems requirements document for all the functions you need, differentiating between critical and nice-to-have features.
- Produce a document detailing how you currently manage inventory, P.O.S., purchasing and receiving, labeling product and customer information. This is the blueprint for your system requirements and is used to score and evaluate the software vendors when they demonstrate their software.
- Invite no more than three vendors to demo their systems. Score each vendor against your needs document.
- Provide a demo format to the vendors that are invited. This ensures you

control the demo and see the features that are important to your business.

- Involve your key people. Their input is critical. People on the front line can either be an asset or impediment to the project. They need to feel they helped choose the system they are going to use.
- Quote comparison. All vendors must provide an itemized price quotation. These should be put into an Excel spreadsheet and compared by line item.
- The total cost of ownership. Support contracts, supplies and a cost provision for replacement equipment needed during the first five years of ownership should be factored into the total cost of ownership equation.
- Let the vendor make money, it's a partnership. Negotiate with the vendor for price concessions that are reasonable for both parties. Vendors are more likely to give price concessions on soft cost items such as training and support. These are real cost items to the retailer but to the vendor they factored into their normal overhead costs.

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