



Microsoft Business Solutions Retail Management System Customer Solution Case Study



Overview

Country or Region: United States
Industry: Retail

Customer Profile

Jerry's Wine Center in Broadview Heights, Ohio, boasts an extensive 2,500-label wine inventory sold in gift baskets, bottles, or by the glass, along with wine-related glassware, pâtés, spreads, and cheeses.

Business Situation

Ohio wine merchants buy wines COD. Because 90 percent of all new businesses succumb in their first year, Jerry Stupka, former telecom executive, left no room for guesswork.

Solution

Microsoft® Business Solutions Retail Management System delivers accurate, on-the-spot inventory reports, ongoing software upgrades, and the support commitment of a large developer.

Benefits

- Tight tracking of 4,000 SKUs for JIT (just-in-time) ordering
- Instant reports show winning products and promotions
- Fast purchasing with preselected order points
- Mailing capability to 3,000 customers
- Customer records with surprising uses

Corporate Executive Runs Wine Store/Tasting Room with Big-Business Precision

“Starting a wine shop with no beverage retailing background took some courage, I guess....Knowing Microsoft was behind this product made all the difference.”

Jerry Stupka, Owner, Jerry's Wine Center

Each overseas trip taught well-traveled telecom executive Jerry Stupka more about fine wines and sealed his desire to own and manage his own wine shop. As he applied big-business experience to a small-business environment, he knew that accurate purchasing would be pivotal.

“Nearly every wine shop I visited had a poor idea of its inventory. I also saw that mismanaging stock which, in Ohio I had to pay for COD, could put me out of business in a hurry,” says Stupka.

He chose Microsoft® Business Solutions Retail Management System over wine industry solutions because of outstanding reports and the Microsoft reputation. “Inventory tracking is superb and gives me tight controls. Ordering is automated so my customers never see an empty shelf!”

“I was at first very keen on integrated hardware/software solutions like IBM. They looked great, but lacked flexibility. They kept you prisoner to one vendor. What if they raise prices? They know I can’t go anywhere else for parts.”

Jerry Stupka, Owner, Jerry’s Wine Center

Situation

On November 16, 2002, Jerry Stupka began his second career as the owner and president of Jerry’s Wine Center.

His dream “was to operate an upscale and friendly wine, gift, and specialty store with wine-related gifts like glassware, specialty foods, gift baskets, spreads, and cheeses.”

The tasteful décor inside Jerry’s Wine Center boasts uncluttered aisles, meticulously tidy stock, and a congenial “Ask me anything!” atmosphere that invites browsing, chatting, and eventually choosing.

Behind the Scenes

“Nine-tenths of new businesses close within a year,” Stupka observes. “In corporate America, you learn to do your due diligence.” His research into wine shops found that most owners had a poor idea of their inventories. They often sent customers scouting through a corner of the shop to root out a dusty bottle of the right variety and vintage. There was no businesslike way of putting items on sale. Stores owners didn’t know their profit margins.

As inventory is a shop’s biggest cost, Jerry saw that maintaining unimpeachable stock levels and predicting inventory flow were pivotal.

“In Ohio, wine merchants pay COD for all deliveries,” says Stupka, “so you better pay attention. It’s very easy to make big mistakes when you fly by the seat of your pants.”

Jerry instantly saw that meticulous stock reckoning and wise purchasing would be pivotal. Tracking inventory on high-ticket gift baskets would add problems. How would any system know to decrement inventory by three wine facings, four cheeses, two boxes of crackers, and a large sausage just by swiping one bar code?

Combining Different Functions

The more he looked into it, the more Stupka could see that incorporating his other idea, a full-service wine bar into his retail shop, was going to prove even trickier.

“We didn’t want to buy, install, and learn separate restaurant software. Our retail management system had to be flexible enough to incorporate wine bar functions, too,” he says. “What software designed for a retail store can run an evening’s tab? How could I include a tip on a retail credit card payment?”

On top of that, Stupka didn’t want a high-priced server with dumb terminals. He had seen businesses stand still when the main server crashed. He wanted intelligence and transaction storage in every register in case one went down. “In business, whatever can go wrong, will,” he says. “Why be unprepared for the inevitable?”

Solution

Stupka considered many system solutions. One was discarded because of company size.

“I was concerned I might invest a lot of money in a system, then watch a smaller developer go out of business,” Stupka says. “And smaller companies don’t have the redundancy I wanted in support. People you depend on take vacations; they get sick. But I might need support any time.”

Then there were the bigger vendors. “I was at first very keen on integrated hardware/software solutions like IBM. They looked great, but lacked flexibility. They kept you prisoner to one vendor. What if they raise prices? They’d know I can’t go anywhere else for parts.” Stupka also insisted on extremely open data and hardware standards. “We needed seamless data transport and the

“[Microsoft Retail Management System] shows us the smarter paths to take—and warns us off the not-so-smart ones.”

Jerry Stupka, Owner, Jerry's Wine Center

ability [to] buy hardware opportunistically as needed.”

After much Web research, Stupka came across QuickSell 2000. Shortly after Microsoft acquired that best-of-breed retail solution for small to midsized retailers, Stupka upgraded to Microsoft® Business Solutions Retail Management System in June 2003.

“Starting a wine shop with no beverage retailing background took some courage, I guess,” says Stupka. “I knew the value of smart software and technical support. Knowing Microsoft was behind this product made all the difference.”

“What a find!” he says. “Everything I needed was possible within the system.”

Tight Inventory and Record Keeping

The entire inventory is now stored and tracked with Microsoft Retail Management System. Ordering is automated using reorder points, and can be generated daily when needed. Items are bar coded and, if a product comes without one—as foreign wines often do—this product's Label Wizard easily generates all bar codes needed.

“I use nearly all the features in Microsoft Retail Management System,” says Stupka. “But the one I depend on most is inventory tracking. The efficiency of the system allows me to run the store as smooth as a fine Chateau Lafite.”

Stupka uses the Microsoft Retail Management System assembly function to track all SKUs assembled into stock and special-order gift baskets. “We want buyers to see what they're getting,” he says, “but not each item's price. Our system lets us decrement all 25 items under one SKU.”

Management by Numbers

“My most-used feature is these up-to-the-minute reports,” Stupka says. “I generate item reports to see if new prices and promotions are successful. Inventory is instant and all inclusive. Financials go into Peachtree Accounting.”

“The best part about Microsoft Retail Management System is that it's so easy to pick up,” says Stupka. “All my employees learned it rapidly, some did so on their own.”

Benefits

Customer Information Database Increases Sales

“Customers' favorite features are their own buying histories,” he remarks. “It was a bigger benefit than I foresaw. Customers like knowing what they bought and liked, or what they didn't. They walk in and demand to know what they bought last Thanksgiving. Executives tell gift-giving vendors or employees to ‘Stop by Jerry's and pick up something I liked.’ ”

Another benefit the store derives from its expanding database is storing an active client list of 3,000.

“We use Microsoft Retail Management System to send out a monthly mailing about our events,” says Stupka. “We could base mailings on customer purchase histories, then contact them by direct mail or e-mail.

“Then we analyze our sales by wine type to fine-tune ordering, and by ZIP code to see how our market base is spread. It gives me an amazing amount of information I use in marketing.”

Encompassing All Business Activities

While Jerry's is primarily a wine store with up to 1,500 liquor items (or “facings”) on the floor at any given time and another 1,000 in inventory or available through special order,

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Jerry Stupka, Owner, Jerry’s Wine Center

specialty items such as cheeses, corkscrews, and gift baskets swell SKUs to 4,000.

Stupka has also added “Jerry’s Tasting Room,” a wine bar within his store. He found ways to customize Microsoft Retail Management System to meet the new needs.

“We adapted it to bar/restaurant use,” he says. “We run a tab using its Customer Quote function. That can give us a string of ongoing prices without requiring immediate payment.” He also added a nonstock item called “Tip” whose price he fills in when the customer signs the tab.

“What a relief it was to not have to install complicated bar software and be forced to train employees on it! Microsoft Retail Management System is easy to learn. Who knows what a second program would bring?”

Tight Reporting Ensures Accurate Decision Making

“When it comes to purchasing, we use a just-in-time approach—I don’t buy until just before I need something,” says Stupka, “so we have to know exactly what we have at any given moment. And at inventory time, there is no better tool than the quantity lists I get in a couple of mouse clicks.”

Microsoft Retail Management System generates instant reports on anything from inventory, to profit margins, taxes payable, gross sales, and top-performing vendors, products, and salespeople. “My item reports show whether sales and specials are successful and if I should adjust prices. This takes all the guesswork out of pricing.”

Expanding

As a new business owner, even a systems-smart corporate executive finds business waters dangerous and choppy.

“My advice to anybody,” says Stupka, “is to buy a name brand. Don’t buy into proprietary hardware, software, or databases. Since your system must expand as you expand, you *will* have to buy more information capability. Don’t you want to get competitive bids?”

“Even being an unusual shop for our area, we not only survived—we are growing and adding services very nicely. We spent more on a computer system than most shops, but it’s paying me back with customer-persuasive pricing, tight inventory, and really smart purchasing.”

Stupka says his system “shows us the smarter paths to take—and warns us off the not-so-smart ones.”

The Challenges Ahead

The future looks bright indeed for Jerry’s Wine Center. But that doesn’t stop its owner from keeping his eye on the ball.

“The retail business will always be a challenge that keeps people sharp. But I know Microsoft Retail Management System gives me the tools I need to flex as the tides change. I know the system will flex to new needs. We’re a good team, we’re doing well, and I don’t see that changing.”

For More Information

For more information about Microsoft products and services, call the Microsoft Sales Information Center at (800) 426-9400. In Canada, call the Microsoft Canada Information Centre at (877) 568-2495. Customers who are deaf or hard-of-hearing can reach Microsoft text telephone (TTY/TDD) services at (800) 892-5234 in the United States or (905) 568-9641 in Canada. Outside the 50 United States and Canada, please contact your local Microsoft subsidiary. To access information using the World Wide Web, go to: www.microsoft.com

For more information about Jerry's Wine Center products and services, call (440) 838-4455 or visit the Web site at: www.jerrys-winecenter.com

Microsoft Business Solutions Retail Management System

Microsoft Business Solutions Retail Management System offers a complete store automation solution for small and medium-sized retailers, streamlining point-of-sale (POS), customer service, and store inventory management, and providing real-time access to key business metrics. Microsoft Retail Management System is a comprehensive solution for single-store and multi-store retailers that empowers independent proprietors, store managers, and cashiers through affordable and easy-to-use automation. Microsoft Retail Management System has the flexibility and scalability to grow with a retailer's business. It works with the Microsoft Office System, Microsoft Windows® Small Business Server, and leading financial applications to provide end-to-end support from the cash register to the back office.

For more information about Microsoft Retail Management System, go to: www.microsoft.com/pos

Software and Services

- Microsoft Windows XP Professional
- Microsoft Business Solutions Retail Management System 1.2
- Microsoft Office 2003
- Microsoft Publisher

Third Party Software

- Peachtree Accounting

Hardware

- Generic PC as back-office file server
- Three PCs at POS locations
- Generic 8-port Ethernet connection
- Cherry G81-7000 credit card keyboards
- Logic Controls PD3000 pole display
- Logic Controls CR3000 cash drawers
- Epson TM-T88IIP receipt printers
- Symbol Portable SPT1500 scanners
- ZEBRA/ELTRON TLP2722 bar code printer
- EPSON Stylus C82 ink-jet color printer
- SAMSUNG CLP500 color laser printer

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Document published November 2004

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