



## Microsoft Business Solutions Retail Management System Customer Solution Case Study

# LUCAS

VINEYARDS

### Overview

**Country or Region:** United States

**Industry:** Retail

### Customer Profile

Located in the heart of Finger Lakes wine country in New York, Lucas Vineyards grows, produces, and sells its own award-winning wines, gift items, and accessories through its shop and wine club.

### Business Situation

The inability of an aging retail system to keep up with a rapidly growing customer base threatened to swamp staff and management with crushing backlogs and lost customers.

### Solution

Microsoft® Business Solutions Retail Management System offers the security and dependability of accurate on-the-spot reports, exact inventory, prompt and effective support, and ongoing upgrades.

### Benefits

- High-speed purchases satisfy busloads
- Faster, accurate management of 5,000-person wine club
- Clear purchase histories by customer
- Off-site and outdoor events run smoothly
- Database speeds promotional mailings

## Winery's New Retail System Speeds the Crush of Customers and Plumps Sales

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*Stephanie Lucas Houck, Vice President Retail Sales, Lucas Vineyards*

Beginning with award-winning wines in its first year, Lucas Vineyards has been a family-owned success story since the family moved to upstate New York to pursue their entrepreneurial dream.

As retailers and wholesalers, they have enjoyed brisk sales online and on-site at the vineyard, but were held back by old-fashioned cash registers and manual paperwork. They needed an integrated system and wanted support comparable to the personal service they provide their own clients.

Now family and staff have freed up hours each week by installing Microsoft® Business Solutions Retail Management System. They devote more creative energies to expanding sales and enhancing service to club members and repeat customers.

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Stephanie Lucas Houck, Vice President Retail Sales, Lucas Vineyards

Some of the 20 wines produced and sold at Lucas Vineyards.



### Situation

In 1974, the Lucas family followed a dream and moved from the New York City borough of The Bronx to a farm in the heart of upstate New York's wine country. They planted their first vines in 1975 and their debut vintage of 400 cases won gold and silver medals at the 1980 New York State Fair Wine Competition, just the start of a long series of medals and awards for Lucas wines.

Today, owner Ruth Lucas and daughters Ruthie and Stephanie oversee and market annual production—retail and wholesale—of 45,000 gallons, or 20,000 cases. “We sell 8,000 to 9,000 cases of Tugboat Red alone,” says Stephanie Lucas Houck, Vice President Retail Sales. Ruth watches the big picture while Ruthie manages finances and administration.

Area wineries band together with mutual events and publicity to attract traffic and tourists. “But it's up to every business to make itself memorable in customers' minds,”

says Stephanie.

Lucas Vineyards boasts approximately 1,800 square feet of retail space. The gift shop sells 20 varieties of wine and a wide range of clothing, stained glass, candles, crystal, wine racks, and cork pullers. Gifts are often themed to Lucas' Tugboat and Butterfly branded wines. Prices range from one U.S. dollar to \$150. Staff may serve up to 1,000 people on busy autumn days.

With success came growing pains. “We managed our entire retail and wholesale operations manually,” says Stephanie, “using a simple cash register for retail, and handwritten wholesale bills. Daily sales data were hand-keyed into the company's general ledger program. That was hours of extra work every week.”

### Customer Service Suffered

At that time, credit card processing used dial-up equipment that couldn't handle the high volume of weekend business. “It was frustrating and slow,” Stephanie says. “When the weekend crush arrives, you need to serve people fast. They arrive in vans and tour buses needing fast service. If we weren't quick enough, customers' first impressions could be their last.”

Another area of difficulty was the wine club. Membership in the vineyard's Captain's Table Wine Club depends upon purchasing levels. Stephanie relates, “We managed our club with handwritten cards and lists. Customer sales were tracked in a Microsoft® Access database that required weekly updates to ensure members got proper credit for purchases. With 5,000 people, that was a monumental task.” If purchases were not entered timely into the database, loyal customers sometimes weren't invited to events, and some were eventually deleted because no purchases were recorded for them within the previous 8 months.

“This is now pretty close to foolproof...Six months after installation, our Captain’s Table Wine Club membership event went off without a hitch!”

Stephanie Lucas Houck, Vice President Retail Sales, Lucas Vineyards

Lucas does off-site and patio sales events each year, and the previous retail management solution slowed transactions and made keeping records of these lucrative events laborious.

#### **Administrative Nightmare**

Data reporting and inventory, however, gave the most trouble. “We had no automation,” says Stephanie. “We would do a big inventory several times a year, counting things several times to avoid mistakes, and it took tons of time. And sometimes we still ran out of things.

“Because we grow, produce, and retail wines, we’re regulated by the Federal Bureau of Alcohol, Tobacco, and Firearms,” she says. “They require tight verifications in the form of highly accurate paper trails. They audit our merchandise and raw materials, sometimes all the way back to the field the grapes came from. We also pay different sales taxes on our retail versus wholesale transactions. New York counties have different tax rates. It was very complicated and was all calculated by hand!”

#### **Solution**

Lucas Vineyards looked at several retail management packages, the most prominent of which were Microsoft® Business Solutions Retail Management System and Retail Pro. Besides being more economical to acquire and implement than Retail Pro, Microsoft Retail Management System felt more applicable and flexible to Stephanie’s needs.

“We chose Microsoft Retail Management [System] for its very wide-ranging retail capabilities and because our Microsoft Partner, Peter J. Masse of Business & Technology Consulting, had extensive experience in implementing point-of-sale [POS] systems for the wine industry in this area,” Stephanie says. “Peter knows our industry, and that was a big selling point. This

business requires tracking thousands of details, and he’s been able to make the system do nearly every request we had.”

Another selection criterion was support. “Even though Microsoft is a world-class developer, their local network of partners gives you local support. I can call Business & Technology Consulting any time and get a call back whatever the hour. Any time I pose a problem, Peter is up for the challenge.”

Microsoft Retail Management System was installed at Lucas Vineyards in January 2004. Business & Technology Consulting provided classroom and on-site training for employees. The reseller converted and imported customer and inventory files once maintained manually.

“The installation went very well,” says Stephanie. “The system was brought up on a fairly busy weekend and worked flawlessly. Our staff quickly adapted to its use, and Peter Masse was either here or a phone call away. I can’t overstate how smoothly it went.”

#### **Benefits**

“Our cashiers like the system far better than a traditional cash register,” Stephanie says. “It’s easy to learn and operate, and their confidence gives the customer a feeling of ease. To make the system obvious to new staff, we’ve customized the keyboard to our business. Each wine item has its own key, then special keys for subtotals and other changes.”

Bar code scanning and faster credit card processing has greatly sped transactions and customer service inquiries. “With buses and vans turning up,” Stephanie says, “we used to lose sales because the caravan was moving on and some people wouldn’t risk waiting in a long line. Now, when people see a shorter and fast-moving line, they’re encouraged, not discouraged!”

“Now that we’re not buried in books, we can plan for the future instead of playing catch-up with the past.”

Stephanie Lucas Houck, Vice President Retail Sales, Lucas Vineyards

Wines, wine accessories, jams, mugs, and other themed gifts make up the Lucas inventory.



Stephanie reports, “I used to always have one person ringing up sales and another backing up each register checking customer status and paperwork. Now I can usually assign one person to a register.”

In the past, staff couldn’t record the mix of wines customers combined in a case. Today, the system transparently tracks customer combinations and preferences, automating a task that “used to be factually impossible,” says Stephanie. Staff code each transaction as sold in the store, by phone, on the Web, and several other ways to enable tight reporting.

#### **Problems Solved**

The new solution brought vast improvements to almost every aspect of record keeping. “We didn’t know what to expect,” says Stephanie. “I thought we were asking a lot of a new system, but Microsoft Retail Management System keeps fulfilling our needs and offering us new features.”

Inventory and finance was one such area. “Since implementing Microsoft Retail Management [System], Ruthie and her staff spend a lot less time keeping track of inventory, wholesale billing, and accounts receivable,” says Stephanie. Ruthie uses the product’s easy interface to export financial data to QuickBooks.

Gift baskets have become easy to manage, using the kit feature in Microsoft Retail Management System, which sells many items under one SKU, then decrements the inventory count of all items in the kit.

Microsoft Retail Management System has also helped bring in new money through its handling of the winery’s customer database. Previously tedious chores of manually entering wine club membership changes have been distilled down to minutes. “This is now pretty close to foolproof,” says Stephanie. “We have a customized safety screen to help ensure every discount sale is connected to an existing customer. Six months after installation, our Captain’s Table Wine Club membership event went off without a hitch! The software also helped us handle our RSVPs and who was coming on which day.”

“Because Microsoft Retail Management System manages our customer list so smoothly, we handle phone orders and send out mailings more easily,” she says. “We can customize the format of information we see to our needs and export customer data to Microsoft Word for mail merge and package labels.”

#### **A Good System Saves Money**

Perhaps the biggest benefit is the ability of executives to focus on expanding the business rather than doing paperwork. “Now that we’re not buried in books, we can plan for the future instead of playing catch-up with the past,” Stephanie says.

“We never thought we’d find an off-the-shelf system that could adapt to all our needs. We got a highly flexible system backed by someone who knows the product and our business. I don’t think we could have done better.”

Stephanie Lucas Houck, Vice President Retail Sales, Lucas Vineyards

“I just love using the system’s purchase orders [POs] for gift items. I didn’t instantly jump into POs because I liked my personal contact with vendors. But, as a working mom, this automation allows me to manage this function at any time or even from home. It gets rid of the repetitive aspects and gives me instant visibility on what has been sold. I save two to six hours a week by not doing physical counts and with faster generation of the POs themselves.”

One vital tool to deliver management visibility and control is customizable reports. Stephanie and other executives create reports to present their own data as they prefer to see it. They save these new report styles in the system, then repopulate them with the latest data each time they need a fresh look at the data.

#### **Customizing Your Solution to Your Needs**

Many Microsoft Retail Management System users use its transaction-on-hold feature to speed lines when one customer forgets an item. But Lucas puts transactions on hold for days or weeks. “We use it when we personalize labels with family or company names,” says Stephanie. “We start that sale at the purchase, but keep it on hold till our customer comes in to pick up the printed and labeled case. This also gives us a second look at the price.”

Lucas took Microsoft Retail Management System on the road and, having no phone connection, operated it offline while the register recorded detailed sales information. “Once back in the store,” says Stephanie, “our off-site sales and new customer data synchronized and updated our main database and inventory.”

That Microsoft Retail Management System capability yields another benefit. “I enjoy knowing that, even if someone kicks loose a power strip and reboots our file server, all our

registers will keep right on ringing up sales because they’re all self-sufficient and retain their data without a central hookup.”

In summer, Lucas sets up a register on the back patio and strings an Ethernet cable through the window for real-time database access from the back yard. “Any retailer who sells off-site or moves registers around can use this feature,” says Stephanie.

#### **Sharing Knowledge**

“Our advice to fellow retailers would be to start writing out what your business needs most and what features you uniquely need that the usual retail system probably won’t deliver,” says Stephanie. “Never be afraid to ask a system to do more. Some things are easy, some not, but you’d be amazed what you can customize on a system this versatile.

“We’re a great example. We sell three ways: out of a tasting room, to local stores and restaurants, and to wholesalers, so we have three different pricing structures—all posted with the Wholesale Bureau of the New York Liquor Authority. But Microsoft Retail Management [System] automates all that paperwork.”

“We can’t comment on Microsoft support,” says Stephanie, “because we just haven’t needed any. Business & Technology Consulting took care of questions and customizing. We found that choosing the right partner sped up getting our best and fastest return on investment from a retail system.”

“Every retailer has a different set of challenges,” Stephanie says. “We never thought we’d find an off-the-shelf system that could adapt to all our needs. We got a highly flexible system backed by someone who knows the product and our business. I don’t think we could have done better.”

## For More Information

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For more information about Lucas Vineyards products and services, call (800) 682-9463 or visit the Web site at: [www.lucasvineyards.com](http://www.lucasvineyards.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](http://www.microsoft.com/pos)

### Software and Services

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

### Third Party Software

- Intuit QuickBooks Professional

### Hardware

- Network of six Dell computers
- Star Micronics receipt printers
- APG cash drawers
- HHP 3800 scanners
- Wombat POS keyboards
- Zebra label printer

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