

EPICOR

Guide to Implementing a Retail Management and Point-of-Sale Solution



Retail eCommerce sales reached \$5.2 trillion in 2021 and are projected to grow to \$8.1 trillion by 2026.¹

Independent retailers have spent extraordinary amounts of time, energy, and resources on building a sustainable business that will last for generations. The neighborhood hardware store that's been run by the same family for years, the farm supply store that's a destination for FFA students raising their animals, and the hometown lawn and garden nursery that provides a personal touch were all built on hard work, dedication, and dreams.

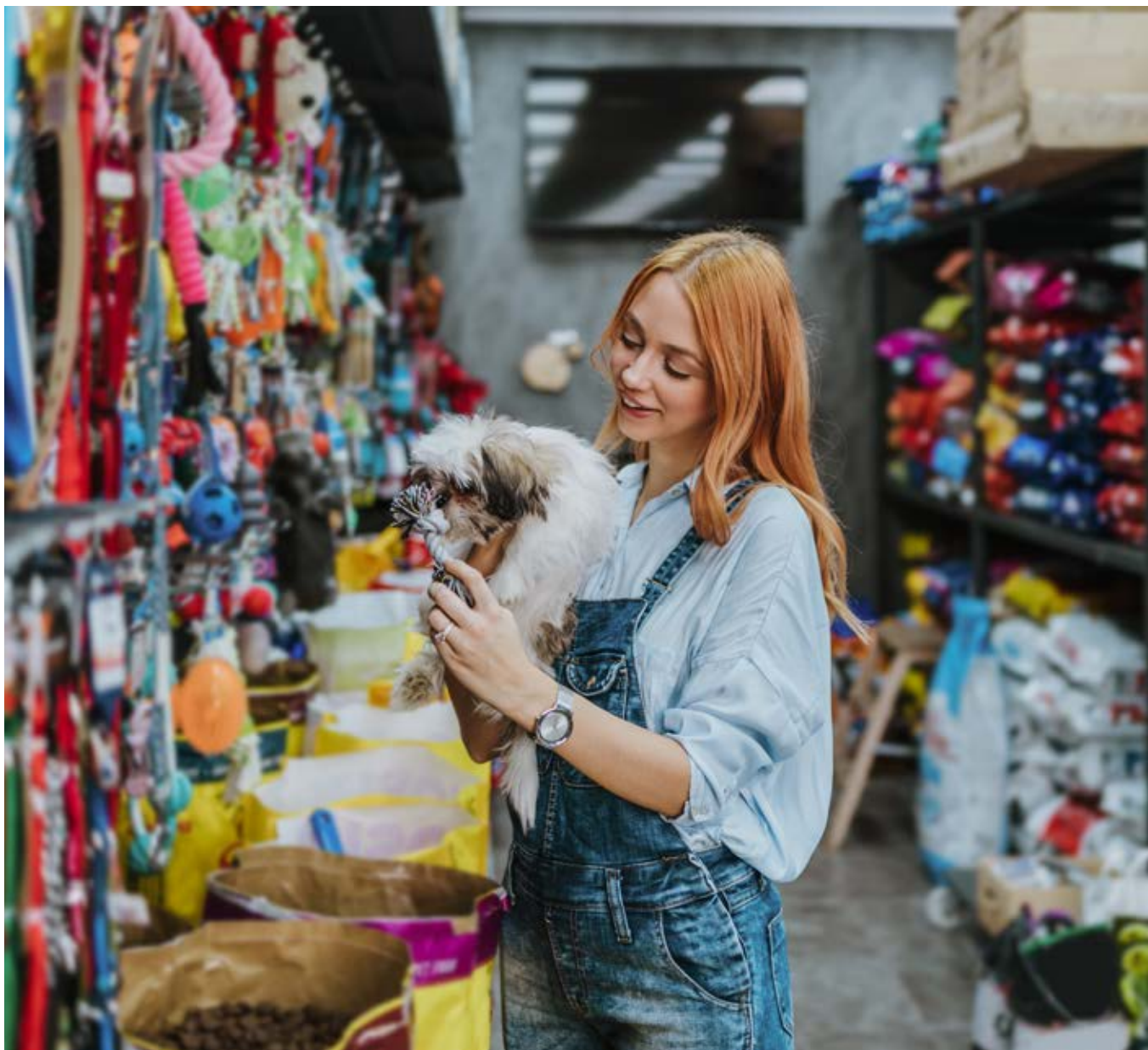
But the modern retail landscape is evolving. Independent retailers need to adopt digital technologies that help streamline and solidify everyday operations, so their businesses can better compete in an omnichannel environment where consumers increasingly shop online.

¹ "Retail e-commerce sales worldwide from 2014 to 2026." <https://www.statista.com/statistics/379046/worldwide-retail-e-commerce-sales/>

Although independent retailers are optimistic about the future, many have concerns about selecting and implementing new technology. With few IT resources and limited expertise in-house, business managers who are already overburdened by having to fill multiple roles have little time to oversee a full-scope implementation project that would take focus away from serving their customers from day to day.

This guide will help ease your mind and expand your view of what a successful implementation looks like. As an independent retailer, you'll better understand the ins and outs of choosing a retail management system (RMS) that will give you the results you need. It covers best practices for implementing a point-of-sale (POS) system to modernize a retail business while delivering a stronger return on investment—without the stress of managing complex IT operations.

73% of retailers expect their businesses to grow in the next three years.²



² Epicor 2021 Retail Insights Report. <https://www.epicor.com/en-us/resources/library/retail/iir-report-2022/>



What is a Complete Retail Management Solution?

A complete retail management solution (RMS) is the technology retailers use to run their day-to-day operations. RMS comprises both hardware and software, from the physical POS units at the front of the store to the back-end reporting software in the office. More than just a POS system, RMS helps retailers forecast sales, schedule employee shifts, personalize the customer experience, and minimize overstocks.

RMS facilitates online, brick-and-mortar, and omnichannel purchasing. Omnichannel integrates multiple channels for online and in-store shopping, resulting in a seamless customer experience. It goes beyond “buy online, pick up in store” (BOPIS). For example, a customer might research a product online, save it in their shopping cart, and then examine it in the store before purchasing. At each of these touchpoints, a retailer can reference the customer’s interactions and offer tailored recommendations.

On the back end of an omnichannel system, distribution, promotion, and communication combine to allow personalization and a consistent experience, regardless of the channel being used.

With RMS, independent retailers can gain real-time business visibility, adapt quickly to change, and strengthen customer relationships.



RMS can help address the supply chain issues that 91% of small-to-midsize retailers struggle with as they compete with larger retailers.³

How Key Features of RMS Help Retailers Streamline their Businesses

Inventory and Supply Chain Management

Real-time or near real-time updates help companies address supply chain issues faster. Retailers can also gain insight into their best-selling inventory, identify what's underperforming, and rank items based on profit margins.

Increasing Staff Productivity

Automation of time-consuming tasks, such as ordering and pricing, frees up staff to assist customers. Key performance indicator (KPI) reporting allows managers and business owners to see how the business is performing. With mobile devices, employees can perform tasks in any location, eliminating the need to be tethered to the POS.

Data and Analytics

Predictive analytics provide insight into a business's overall health and help retailers assess demand and sales performance. RMS uses historical data to forecast trends and predict which categories are likely to grow based on previous sales. For example, a farm supply retailer can predict an increase in feed sales at the start of animal-rearing season, when users have an increased herd or flock size. Preparing for a known rise in demand takes the pressure off businesses, and helps them prepare to meet customer needs.

³ SMB Retail Supply Chain Survey, Software Advice. <https://www.softwareadvice.com/resources/small-businesses-left-behind-in-retail-supply-chain-crisis/>

Mobile Point of Sale

Shoppers are accustomed to convenience, wherever and however they shop. A mobile POS increases checkout speed and efficiency, while empowering employees to answer product and inventory questions on the spot. Shoppers also have the convenience of paying inside the store, in temporary outdoor seasonal merchandising areas, or in the parking lot when they pick up their purchases.

Payment Processing and Loyalty Programs

When an RMS is integrated with a payment solution, stores can offer more payment options. Retailers can also leverage customer loyalty programs that incentivize purchases by offering rewards.

Inventory Management

Inventory is a big investment for retailers, and managing it properly is critical to the success of a retail operation. Inventory management helps ensure that the merchandise you offer is what your customers want, while also maintaining optimum inventory levels and minimizing costly overstocks.

Effective inventory management provides a better understanding of several key metrics: which products are selling and which are not, profit margin by item or product line, what to order and when, and how to forecast demand based on historical sales data.



Why is a Retail Management Solution Important?

Modernizing operations: RMS is the key to modernizing operations, streamlining inventory management, and supporting omnichannel retail.

- **Supporting omnichannel selling and buying:** Businesses can support in-store, online, and app-based purchases, meeting customers where they are to drive the most revenue. A comprehensive solution also provides suggested shopping ideas, encouraging customers to purchase complementary products or more expensive items.
- **Automating processes:** With RMS, retailers can automate as many processes as possible, freeing up resources to focus on selling. By automating employee scheduling and resource management, for example, businesses can ensure stores are staffed appropriately without needing to dig through paper matrices or computerized spreadsheets.
- **Providing flexible deployment:** Whether you need an on-premises or cloud-based system, the right RMS

should have the capabilities you need to build day-to-day efficiency at your retail business.

- **Securing data:** One-third of retailers are re-evaluating their current POS systems because they're worried about securing sensitive data.⁴ Similarly, 74% worry about security and risk mitigation when migrating to a new system.⁵ RMS reduces these concerns by securely storing customer and employee information. Cloud-based RMS also eliminates the need to secure and manage an on-premises server and perform system upgrades.
- **Creating value for future succession or selling:** Finally, RMS helps prepare a business for succession. Independent business owners have invested a lot of time, energy, and resources into creating a sustainable business that can be passed on to the next generation or sold for a tidy profit. Efficiently managing inventory and assets, while storing all the data securely, makes it easier to value the business for sale or pass it on to successors when the time comes.



43% percent of all data breaches happen to small and medium-sized businesses, and 61% of SMBs reported a cyberattack in the past year.⁶

⁴ Epicor Retail Industry Insights Report 2022

⁵ Epicor Retail Industry Insights Report 2022

⁶ Verizon 2022 Data Breach Investigations Report, <https://www.verizon.com/business/en-gb/resources/reports/dbir/>



What to Look for in a Partner

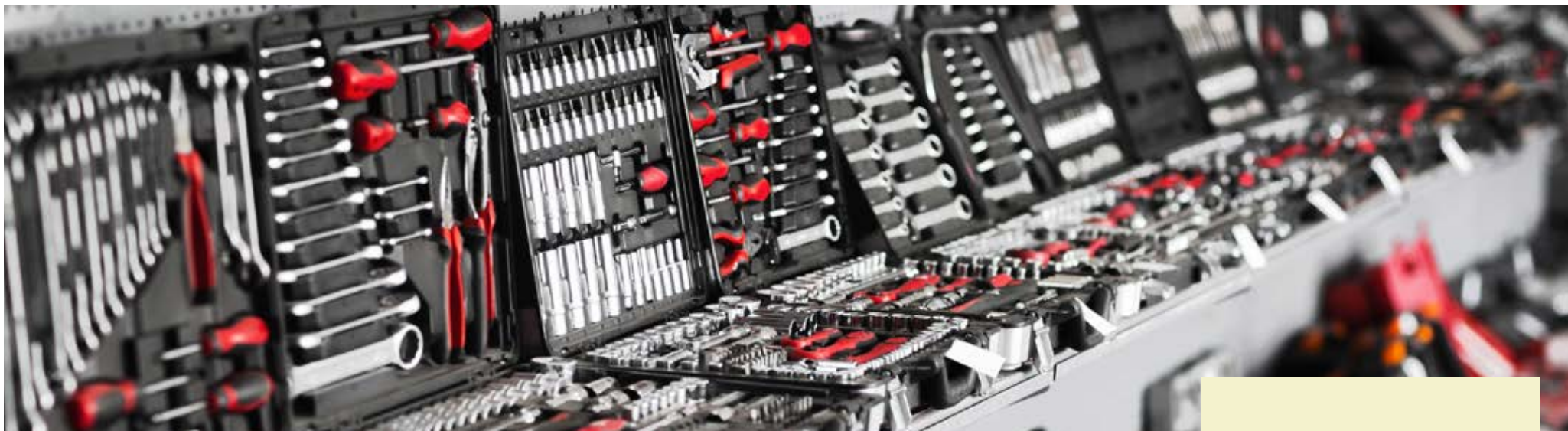
A technology purchase is one of the largest investments a retailer will make for their company.

Retailers' top concerns when implementing a new RMS include the time required to implement the system, the challenge of training staff on the new system, and the ability to configure the system to meet their needs.⁷

To ensure a solution supply solid return on investment, retailers should consider four critical criteria when evaluating a provider:

- **Efficiency:** A successful RMS must improve the efficiency of day-to-day operations. Staff should find it easy to perform routine tasks, such as customer checkout, staff scheduling, and back-end reporting. The solution must offer the ability to automate time-consuming processes, such as price updates.
- **Inventory accuracy:** An all-in-one system integrates and automatically synchronizes with warehouse, purchasing, and supplier systems. This is a key factor in minimizing the amount of excess inventory sitting on shelves, along with the stock-outs that result in loss of sales.
- **Omnichannel functionality:** Omnichannel gives customers a satisfying experience regardless of how they shop. RMS consolidates all channels to meet demand. It should allow for customizations to meet the retailer's needs and personalization to serve customers better.
- **Deep Industry Experience:** Your technology partner should know the specific needs of your business—and channel this knowledge into industry-specific solutions that help you exceed customer expectations and boost profits.

⁷ Epicor Retail Industry Insights Report 2022



Look for a provider who will support the business throughout the entire process, from planning to implementation, to post-sales support and training to help retailers make the most of their investment.

Retailers may have concerns surrounding change, particularly after implementation. Employees may have grown accustomed to doing their jobs a certain way, and some have been doing things the same way for decades. Additional training may be necessary so employees understand how the new technology benefits them.

Less technically savvy employees can get nervous when moving away from manual and paper-based systems to digital solutions. For example, the assistant manager who painstakingly draws up each week's employee schedule using a spreadsheet and handwritten notes might not embrace an

automated system, when they believe that their way seems to work fine. Coaching through change management and demonstrating value for employees is a key factor in achieving a smooth transition.

The right provider serves as a partner, supporting the implementation and training of staff so they can become self-sufficient. This allows the team to get up to speed quickly and continue doing their work with minimal interruptions.

Industry professionals who know the challenges independent retailers face can offer a high level of support. That's why choosing a provider with an established presence and post-sales support and training is important. Anyone can sell an RMS solution, but it takes a company with a track record of performance and multiple support options, training plans, and resources to make implementation and user adoption a success.

*66% percent
of businesses
believe their
technology
provider
should address
their biggest
concerns.⁸*

Before Selecting a Partner

Choosing the right provider takes time, resources, and a thorough examination of the business. Before choosing a provider, retailers should evaluate their readiness for RMS by asking themselves two questions:

- What systems are in place now?
- What processes are currently followed?

Then, they'll need to identify and document their organizational goals and roadmap. These are the three most common, and often overlapping, goals:

- Automating systems to become a modern business.
- Gaining accurate insight into business numbers. This requires ensuring the accuracy of prices, quantities, and purchasing.
- Succession planning for future generations or selling the business. They'll need to solidify the business before passing it on to a successor or appropriately value it before a sale.

To determine how an RMS can improve processes, retailers should map out their current processes. Some common processes to examine include:

- Front-of-store sales capture and processing

- Inventory management and updates, such as price changes
- Sales and order forecasting

It's also critical to establish requirements and metrics for measuring success. For example, will a retailer define success as a 10% increase in next month's sales? Will the manager consider it a success when a report is generated within minutes instead of taking hours?

Retailers should define how this implementation will impact existing resources and job roles. For example, if the assistant manager handles scheduling, how will their job change after the business has implemented a solution that automates this process? They may take on different responsibilities that better suit their talents and abilities, such as visual merchandising. Independent retailers might also discover other benefits, such as the need to hire less seasonal help as more customers shop online.

While this is not an exhaustive list, documenting answers to questions like these will allow a foundation for the implementation, and allow retailers to identify any gaps in processes or staffing to better prepare for the new system.



Kicking Off the Implementation: Set the Stage for Success

Once the retailer has selected a provider, it's time to kick off the implementation. The provider will assign a project manager and begin pulling together the project team. The project manager will review the retailer's technology environment, equipment, timelines, and expectations for go-live.

At the same time that the provider is working behind the scenes to ensure a smooth transition, the retailer should also be preparing for the implementation, well ahead of the go-live. These important steps should help things run seamlessly:

Assemble a team: Select a stakeholder team, made up of individuals who will play key roles in managing the internal side of the process in partnership with the provider. Set up a cadence of meetings to discuss logistics, training, and communication needs before, during, and after the new system is in place.

Communication cadence: A new RMS represents a big change for employees, many of whom may have worked with the older system for years. It's important that there be no surprises, and that all staff feel well-informed and ready for the implementation. A series of informative, targeted communications—with details about everything from system capabilities to training opportunities—will help employees feel more comfortable with what's to come.

Explain the positive outcome: Part of your internal communication strategy should involve showing employees how their daily responsibilities may evolve after the implementation. For example, with less time needed for repetitive back-office tasks, they may be able to spend more time helping customers or working in other areas of the business. Knowledge boosts confidence, receptiveness, and readiness to embrace change.





The implementation process comprises the following steps:

1. The retailer collaborates with the provider to review current processes, then maps data from existing systems to the new RMS. Specifically,
 - **Mapping data from external sources, such as Microsoft Excel® spreadsheets and existing databases.** This includes identifying critical data that must be exported from those systems, such as sales history, customer information, and items with their corresponding SKUs. Successful data transfer requires cleaning up and purging old data.
 - **Normalizing data for easier transfer.** Established retailers, in particular, may not have standardized data. For example, one system might store a customer's home phone number and mobile number, while a different system stores only one phone number for each customer. Know how data will be exported and consider how it will be stored in the new system. Standardizing data will also result in more accurate reporting and an improved user experience, making it easier to search for information.
2. The provider and retailer collaborate on training essential users in the new RMS. Step-by-step training and on-demand learning help users get up to speed both before and after go-live. "Train the trainer" is a popular method that educates key users, so they can then train their peers.
3. The provider and retailer decide how to roll out the system. Solutions for small retail operations can be implemented all at once, while larger retailers often choose a phased approach, rolling out just one (or a few) store locations at a time.

Buy-In, Belief, Benefits: The Roadmap to Success

Retailers that appoint active project managers and involve key team members enjoy the most success. When top-level management champions the system, front-line employees are more likely to understand the importance of RMS and are less likely to cling to old processes and procedures.

RMS Success with Epicor as a Partner

Epicor is a leading provider of productivity solutions for independent retailers. We built our business and reputation by offering innovative RMS solutions and extensive training and support. No matter how big or small your company is, we're partners in your business. We support you through the entire implementation process and beyond. Our industry-focused solutions fit your unique business situation and goals. We create custom rollout and go-live plans that help you maximize your technology investment and improve user adoption.

Our proven methodology consists of five phases:

- **Prepare.** We define the scope of the project and examine your requirements.
- **Plan.** We help you review your processes and create a project and resource plan.
- **Design.** We build a foundation, configure software, refine business procedures, and create a proof of concept.
- **Validate.** The project goes through user acceptance preparation, testing, and analysis.
- **Deploy.** Prior to launch, we help you train your users. After deployment, our experts optimize the software. Our support team is always ready to step in if needed.

We can deliver our RMS platform as a cloud-based solution, or you can run our software on your own on-

premises server. While many retailers choose to have our project team implement the system on-site, we can also deploy your implementation remotely. If your budget is limited, remote deployment can offer significant cost savings. Our remote deployments leverage collaboration tools to manage all aspects of your implementation, from project management and planning sessions to meetings and workshops.

We also provide extensive training to you and your employees, both on premises and online. An on-site trainer conducts the business process review and sales demonstration, familiarizing themselves with your operations to ensure training meets your unique needs. We offer one-on-one training sessions or group lessons, depending on your budget and needs. You can also leverage on-demand training through Epicor University, which offers hundreds of videos that walk users through anything they need to know.

Epicor offers a choice of post-implementation support tiers. Our technical support team is based in the Pacific time zone, so U.S. customers can readily access experts during business hours. We provide same-day responses, with live phone support ready to help. If you have a burning question during your workday, you can count on Epicor to answer it.



A Resounding Yes for RMS

A traditional POS is no longer enough. To survive and thrive in the modern era, independent retailers need to migrate to RMS. But not all RMS solutions are the same, so choose a partner that will fit your business needs both now and in the future. Contact Epicor today for a free consultation to learn more about how we can help you do business better.



Zitomer Pharmacy Gains Visibility Into Inventory Systems⁹

For iconic Manhattan shopping destination Zitomer Pharmacy, stocking a wide variety of trendy, must-have items such as cosmetics, children's clothing and toys, lingerie, prepared food, and women's accessories is a point of pride. With such a large footprint—its children's department alone is 5,000 square feet—Zitomer needed a better way to manage inventory, so it could avoid sitting on \$67,000 worth of cosmetics, for example. Within one year after implementing Epicor, it cut its inventory by 15%, freeing up approximately \$100,000 in cash flow for the business.

⁹ <https://www.epicor.com/en/resources/success-stories/retail/zitomer%20pharmacy/>



EPICOR

We're here for the hard-working businesses that keep the world turning. They're the companies that make, move, and sell the things we all need. They trust Epicor to help them do business better. Their industries are our industries, and we understand them better than anyone. By working hand-in-hand with our customers, we get to know their business almost as well as they do. Our innovative solution sets are carefully curated to fit their needs and built to respond flexibly to their fast-changing reality. We accelerate every customer's ambitions, whether to grow and transform, or to simply become more productive and effective. That's what makes us the essential partners for the world's most essential businesses.

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