

Solution Overview

Industry

Retail – Specialty Merchandise

Scenario

Thirty-three roving trucks sell merchandise at NASCAR, Busch and Winston races. Revenues were high but cash and merchandise management was unverifiable. Customers demanded faster transactions. Headquarters required sales visibility, fleet-wide stock levels on every product, and highly flexible reports.

Company Profile

Action Performance Companies, Inc., Charlotte, NC, sells its licensed motorsports merchandise at 38 NASCAR, Busch and Winston Cup races from a key sales channel-33 roving tractor trailers that convert to retail stores at racetracks. Action leads its industries in sales and handles 60% of top drivers. Market capitalization exceeds \$750 million.

Situation

In less than four months with Store Operations running in each trailer and HQ managing revenues and complex purchasing at headquarters in Charlotte, results include sales increases, excellent management reporting and JIT replenishment.

Software Used

Retail Management System
Store Operations and Headquarter (HQ)
Microsoft® Windows 2000
Microsoft SQL Server™

Action Performance Companies, Inc.

“We had 33 stores that moved every week. Their inventories were mutually exclusive. Demand changed constantly. And trusted employees were our cash management system,” said John Bickford, Sr., Vice President of Action Performance Companies, Inc., describing Action’s retail situation six months ago.

Wise product choices and merchandising kept Action Performance flourishing. The company went public, its stock rose and it joined the NYSE (symbol: ATN) in February 2002 with market capitalization exceeding \$750 million. Action is the industry leader in design, marketing and distribution of licensed motorsports merchandise including apparel, die-cast car replica collectibles and memorabilia.

One vital distribution channel is its roving fleet of 33 tractor-trailer rigs. Each transforms to a store branded exclusively to one team or driver. Action serves 38 NASCAR, Busch and Winston Cup races and handles 60% of top drivers.

Late Data, Lost Sales

“Sales reports were fuzzy and came into our Charlotte (NC) headquarters a week later,” said Bickford. “In an industry where products go hot or cold overnight and demand varies by city or season, we guessed at inventory levels. Every year brings new products, paint schemes and sponsors. You knew a product was successful because you were fresh out when people had money in their hands!”

Chris Williams is Action’s Trackside Director. “We left money at every race,” said Williams. “There is a three-hour sales window before a race, that’s it. We have 30 customers waiting before we open. At peak times, they bunch up 15 across and 20 deep. Nobody could write receipts fast enough. Too many left without buying.”

Remote mobility made credit cards troublesome. “When we didn’t take cards,” said Williams, “that cost us sales. Then processing a card through a cell phone took three minutes. Or we’d batch in credit card orders at night—which cost \$50-60,000 a year in declined cards.”

Needed: Flexibility and Speed

Vendors' proposals to govern this runaway derby failed Williams' POS standards and Bickford's need for indisputable and elastic reporting. The prime mandate was accurate, real-time, fleet-wide stock levels on every product and driver, from bumper stickers through \$400 leather jackets. Headquarters in Charlotte needed the power to easily change prices overnight on thousands of specific SKUs in selected trailers.

Williams specified an eight-second transaction time from tender to sales slip. POS training could not exceed five minutes. Communication must be wireless, bulletproof and secure. Hardware had to be compact and survive weekly road trips. When Mike Nicholson, Vice President of POSitive Technology.com, assured Bickford and Williams that Microsoft Business Solutions Retail Management System (RMS) could handle every information requirement, they said, "Show us!" Mike watched, sold merchandise and took notes for nine weekends. He defined a complete system that POSitive's technologists in Gaithersburg and Phoenix designed and implemented on spec.

"After three races, we knew we'd picked as winner."

*John Bickford, Vice President
Action Performance Companies, Inc.*

Summer 2001 brought the first test. Transactions executed in eight seconds. Learning cash sales meant triggering the scanner and pressing a button. Credit cards required six seconds and two buttons. Reports matched revenues to items scanned, and could be sorted by any set of fields. Perhaps most comforting, Microsoft RMS' deep feature set would accommodate growth, shifting business climate and new ways to merchandise. Action signed off.

Every trailer runs Microsoft RMS Store Operations, Windows 2000 and SQL Server 2000 Personal Edition. After every sales day, information is fed to Microsoft RMS Headquarters (HQ), the multistore management solution, centrally installed in Charlotte. HQ runs under Windows

2000 Server utilizing Microsoft SQL Server 2000 Server Edition. SQL Server has proven far more reliable, secure and scalable than any other DBMS.

Nicholson specified PioneerPOS touch-screen computers for size, and Symbol Technologies scanners for sunlight. Agere ORiNOCO wireless systems securely transmit to three "hub" trailers, which modem-connect via Web to HQ. If a link goes down, Store Operations keeps selling and storing data even without a network connection.

"HQ could give us hourly revenue and stock levels," said John Michael, Charlotte's Operations Director. But nightly data interchange adequately enables stock balancing among trailers, replenishment from stock haulers—huge warehouse trucks—and JIT shipments from suppliers to the next venue. "POSitive Technology's high level of customer service made this happen," said Bickford. "They delivered a system that exceeds our impossible priorities."

In the Winner's Circle

"After three races, we knew we'd picked a winner," said Bickford. "We accelerated full implementation to late May." Characteristic of a racing-oriented company, Action videotaped transactions before and after the new system, then clocked the results. Sales transactions are way up.

"We're all business behind the scenes," reported Bickford, "but better sales speed actually enhanced our carnival atmosphere. It's entertainment to buy from us. And there's no way a box can 'fall off a truck' and not be traced back." "Our stockholders and CPAs love our new accountability," said Bickford. Action will be able to check items' sales by months and racetrack to predict what to stock and when to hire extra help. Sales stats help define equitable deals with teams and drivers. And, since trailer staff have sales incentives, hourly totals spur them on.

"We used to have a paperwork nightmare!" said Bickford. "You were always uneasy that you'd overlooked something. I sleep better now. There are no unanswered questions."

Microsoft Business Solutions
Retail Management System

For more information about Microsoft Business Solutions Retail Management System, visit www.microsoft.com/BusinessSolutions/POS