

## Microsoft® Business Solutions Retail Management System

### Solution Overview

#### Industry

Retail - Health foods and products

#### Scenario

Managing 15,000 SKUs with several inventory types in 4200 sq. ft. has become far more cost-efficient for this profit-conscious retailer.

#### Company Profile

Lassen's carries a full range of healthful products from hard goods to vitamins to fresh produce and bulk herbs.

#### Situation

Retailers managing highly diverse inventory types must track and purchase with extra efficiency. Jim Lassen, CPA used Microsoft Retail Management System to drastically cut staff time-in-task and to overcome suppliers' expensive practices.

#### Software Used

Microsoft Windows XP Professional  
Retail Management System Store Operations

Microsoft Office XP

Microsoft Office 97

Microsoft ActiveSync

QuickBooks® Pro

Norton AntiVirus™

## Lassen's Health Foods #5

Quantifying each business gain came naturally to a CPA turned store owner. Microsoft Retail Management System from Microsoft Business Solutions cut staff time to as little as 8% of previous for some tasks. And it all shows up on the bottom line.

As a CPA and former internal auditor, Jim Lassen staticizes the many ways Microsoft Retail Management System from Microsoft Business Solutions saves him money throughout the store. Jim owns and manages Lassen's Health Foods #5 in Simi Valley, Calif., part of an eight-store family chain.

Jim's two registers use Retail Management System Store Operations to manage 15,000 SKUs in his 4200 sq. ft. store. Inventory tracking needs include mix/match, lot matrix, parent/child, weighed and bulk items and products they package. "Store Operations continuously flexes to our needs," said Jim. "This is no canned product."

#### Revenue retention

"We cut staff expenses by 20%," said Jim, "but not by layoffs. We just didn't have to replace attrition." In a world of fixed and rising expenses, "I focus on costs I can change and labor is a great place to start. Shorter time-in-task saves money on Worker's Compensation, unemployment insurance, payroll taxes and salaries. Except for rent, utilities and obviously recurring costs, Store Operations cuts my cost on nearly every line item," said Jim.

"It watches our tricky inventory levels, product costs and helps us do smart pricing. Each dollar saved drops to my bottom line or becomes discretionary revenue for profit, promotion or store improvements," he said.

Jim tackled the worst first. "We used to spend two employee days every week just purchasing from our main distributor. First, checking their inventory, then placing orders. We've slashed that to half a day," Jim said. Purchasing from large vitamin suppliers once took three hours each; now staff does three or four suppliers in one hour.

AFFORDABLE

PRODUCTIVE

CUSTOMIZABLE

SCALABLE

Microsoft® Business Solutions  
**Retail Management System**

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## Microsoft Business Solutions Retail Management System

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AFFORDABLE

“We’ve also cut the hours for item pricing by over 50% with Store Operations’ Shelf Labels feature,” said Jim. He uses its Label Wizard to customize shelf labels with price, product description, bar code and Lassen’s logo. Store Operations’ Assistant Wizard expedites changes in quantity, price and bin location.

Common but daunting supply-line challenges have surrendered to Store Operations. Lassen’s can buy identical items from competing suppliers, while other products come from only one manufacturer. “Microsoft Business Solutions worked with us and Orderdog.com to customize a Store Operations ordering system for the health food industry. Now I can upload 90% of my orders purchasing to Orderdog because they show me available discounts, then forward orders to suppliers in XML. We eliminate virtually all manual processes and order accuracy is excellent.

“Large stores’ automation makes customers expect it in small stores. Store Operations’ fast checkouts help me raise customer throughput without buying new registers and people to run them. And there’s less quibble about prices.”

### Plugging money leaks

“A few suppliers’ reps used to sell us things we couldn’t sell. Maybe a two-month supply when we needed two weeks, or items too close to expiration. Sometimes staff over-bought because we didn’t know what we had. Now it’s ‘purchasing by the numbers’ around here. Store Operations gives us our stock on hand. It knows our desired levels. We buy the difference. That’s it.

“When experienced employees quit or just take vacations, their knowledge still resides in Store Operations’ database, not in their heads. So we can easily keep up with purchasing and everything else.

“Any manual system is prone to pricing errors,” Jim said. “Sometimes we accidentally sold items at wholesale. Even customers mentioned it! With Store Operations, we set a price that’s correct and ubiquitous for every sale. It only sells for less when we discount it.”

PRODUCTIVE

CUSTOMIZABLE

SCALABLE

Lassen’s does three “line-drives” a month, offering 25-30% discounts on lines that offer the store price breaks or ad support. Scanner-based pricing and Store Operations’ versatile discounting options reduce cashier errors during price changes because discounts are automatic. “If a clerk overlooks a discount, customers get suspicious,” said Jim. “That possibility is now gone.”

“When we ordered from distributors’ barcode machines, we never knew our total price until we got the order,” Jim said. “Then we’d see we over-bought, maybe entered a wrong quantity. Or we’d get a double shipment if the readers weren’t cleared after our last order. Store Operations lets us eliminate what suppliers told us was a ‘time-saver.’ They were boosting their revenues at our expense.”

### Reporting for profits

Unlike many retailers, Jim’s store advertises and discounts the hot items, so management needs tight tracking of fast and slow-selling items. “If it’s selling well at my store, it’s selling well at our competitors. Why not attract some of their public by offering it at a deal?” he asked. “We got a large buy-in on coral calcium, a fast mover. We had a good margin and knew an ad would sell. It did—and it brought in new faces.”

Store Operations lets Jim monitor product flow in standard and unusual ways, including tracking manufacturers’ co-op ad dollars as a percentage of sales. “Last week I got a nice commitment for monthly ad dollars from a factory rep. I showed her a Store Operations report proving that—even though I buy her product from multiple distributors—we order tons of it each month.”

### Saving the owner’s time

Jim uses vendors’ electronic catalogs, opens them up in Microsoft Excel, then adds his chosen percentages to items and lines. He uploads the data into Store Operations’ SQL Server database for instant, storewide changes.

“Our Microsoft Business Solutions Partner, POS For Less, set up my Compaq iPAQ 3975 so I can walk around the store changing prices and quantities,” Jim said. The handheld fits into a wireless Symbol® Technologies sled that interconnects via Windows XP’s Terminal Services Client. Before this, employees had to go find a product and take it to a management register to make such changes. Jim also uses XP’s Remote Desktop to log in from home, generate reports, make database changes, and check sales, inventory levels and staff presence. He said, “I have more peace of mind and can actually take a day off!”

“This program is very fast to learn and teach,” Jim reports. “In 30 minutes, new cashiers learn to handle complex transactions with credit cards, coupons, food stamps and senior citizens’ discounts. That frees up senior staff and my time for customers.”

“New and part-time staff used to waste my time asking directions to products. Now Store Operations’ Bin Location lets even new clerks take customers to new items,” said Jim.

### Bonus points

Jim praises Microsoft Business Solutions tech support for help in time of crisis. “When I got a virus, Microsoft Business Solutions and Bill Holabird at POS for Less helped me restore things. They even helped me write some ‘select statements’ I needed.”

Jim will soon begin using his customer database to log check-clearing problems. With a year of customer names in Store Operations, Lassen’s plans its first use of targeted customer mailings.

“I come from a strong retail family,” Jim said, “but I’m the first to take automation this far. I think my accounting background made me seek a product that covered all the details with very little effort. But those savings really add up at the bottom line.”

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*Jim Lassen, CPA  
Owner, Lassen’s Health Foods #5*

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