

## Solution Overview

### Industry

Retail – Gifts, collectibles, souvenirs.

### Scenario

Store Operations lets USNMF crew manage 5,000 SKUs of U.S. Navy, Marine Corps and Coast Guard memorabilia on shelves and through custom orders.

### Company Profile

Brick-and-mortar, catalog and Internet sales, purchasing and customer records all flow through Store Operations for fast transactions and deliveries that earn rave reviews from repeat customers.

### Situation

A reputable competitive retail system, just 12 months old, lacked the features to support USNMF's vision of growth. Installing Store Operations proved management's vision right. Business doubled in a year.

### Software Used

Microsoft® Windows® 2000

Microsoft Windows NT®

Microsoft SQL Server™  
Professional Edition

Retail Management System  
Store Operations

Microsoft Office 2000 Excel®

Blackbaud™ accounting modules

Norton AntiVirus™

## United States Navy Memorial Foundation

United States Navy Memorial Foundation's retail system was slowing growth and adding steps. When USNMF changed course to Microsoft Retail Management System from Microsoft Business Solutions, sales doubled and system stability disappeared as an issue.

"Microsoft Retail Management System (RMS) from Microsoft Business Solutions enabled us to double sales. Last year it replaced a competitive POS system installed less than 12 months. Our 2002 sales records would never have been possible without Store Operations' efficiency," said Tom O'Rourke, director retail operations at United States Navy Memorial Foundation. USNMF sells more than 5,000 SKUs of U.S. Navy, Marine Corps and Coast Guard memorabilia and collectibles. Microsoft Store Operations is a complete retail solution selling to independent retail stores and small chains.

### Thoughtful investment

"We spend money very carefully because we're a non-profit. Yet business sense told us the previous system would never meet our demand for growth. As a 30-year veteran of retailing, I've used many, many systems. With the old system we'd still be trying to figure out what we have. With Store Operations we can enjoy reviewing all we've sold! It's the heart of our entire circulatory system. Literally everything goes through it: in-store sales, catalog sales, members-only newsletter sales, Internet sales, purchasing...everything. All there for review or analysis in a few mouse clicks!"

USNMF's broad-based sales increased more than 100% in 2002 yet stock on hand rose far less. One terminal averaged over 600 items a day during the holidays. Most items are stocked in-store but some, like hats for 10,000 ships, are custom-ordered. O'Rourke said, "The system handles those oddities and is virtually paperless until you want a hard copy."

"We've had zero crashes with Microsoft RMS and Microsoft Windows 2000," said John Holloway, USNMF system administrator. Windows 2000 has boosted our stability and is the IT business environment of choice. This installation is unbelievably rock-solid."

"I live this system," said O'Rourke, "It gives staff smooth, seamless transactions and easy access to management data while I get fast customer data. On the phone, with two clicks in 20 seconds, I can track a customer's open shipment—or pull up a two-year-old order—before they finish describing it. That boosts credibility, reputation and sales. First-time customers become clientele, then word-of-mouth advertisers.

"Retailers monitor the cost of converting a shopper into a customer, a customer into a client. In that alone, Store Operations paid for itself in a few months," said O'Rourke.

"The power that Store Operations gave us, compared to other retail systems, is the same quantitative jump that Windows gave us compared to DOS. It's that far ahead."

*Tom O'Rourke  
Director Retail Operations*

#### Strategies

"I've been a serious student of big retail successes all my business life," said O'Rourke. "So I had our Microsoft Partner, POSitive Technology, set us up like an efficient franchise system even though we're small now. From an information standpoint, Store Operations' superior architecture makes the size of your chain a non-issue," he said. "You have elasticity from one to 40 locations with very minor modifications and modules. Store associates and back office people can learn one system and stick with it." USNMF's twelve users include full- and part-time clerical, management, technical and finance staff.

"It's easy for me to police vendors and pricing," said O'Rourke. "I set up a brand-new vendor, placed an order for a standard product, and referred new PO's to that vendor, all in about seven minutes."

#### Technically speaking

"We saved extra money," John Holloway explained, "because POSitive Technology put in six Windows 2000 workstations instead of a server. We're set up as a Windows workgroup, not a Windows domain. So we

retained the money we could have spent on another copy of SQL Server. Windows 2000 and (SQL) Server's flexibility let that configuration work very well. We run a client server environment from a workstation."

Holloway finds Microsoft RMS easy to configure, to add and subtract users. "But I spend very little time with it. I get called for printer changes and expansions; no hassles or babysitting." Six workstations are registers, but two also function as management PCs.

Holloway adds, "I feel very confident about Microsoft RMS employee security tools." He appreciates the ease of doing backups and working with its files. Accounting staff use Windows NT and constantly reach into Store Operations for data.

#### Interaction

"As a non-profit, we use Blackbaud™ accounts payables and receivables solutions," said O'Rourke. "Store Operations transactions slide right in and we get excellent accounting. Inventory is always up-to-date because all transactions reside in one SQL Server database. We instantly know what's low and what our 'committeds' are. So we know when to PO for what. We export data to Microsoft Excel for further financial analysis and interact with Microsoft Word for mailings.

"Competitive systems I examined were okay for short-term retail needs," O'Rourke said. "Microsoft RMS goes beyond that and preps you for future growth, for the unexpected, and for interaction with other software. It combines the best of modern computer science and retail experience.

"The power that Store Operations gave us, compared to other retail systems, is the same quantitative jump that Windows gave us compared to DOS," said O'Rourke. "It's that far ahead."

"But the bottom line here," said O'Rourke, "is that we constantly get emails and letters from thrilled customers grateful for fast service on our products. We couldn't serve this many people this rapidly, this reliably, without Store Operations."

Microsoft Business Solutions  
**Retail Management System**

For more information about Microsoft Business Solutions Retail Management System, visit [www.microsoft.com/BusinessSolutions/POS](http://www.microsoft.com/BusinessSolutions/POS)