



Microsoft Retail Management System Customer Solution Case Study



Overview

Country or Region: United States

Industry: Retail

Customer Profile

Family-run Kaufmann de Suisse sells custom-designed high-end jewelry and watches from three stores in Quebec, New York, and Florida.

Business Situation

To ensure tight records, owners and staff spent long hours and extra tasks searching for and rewriting records, from customer histories to job bags. Reports and business summaries were nearly nonexistent.

Solution

After reviewing 20 jewelry-specific software solutions, the Montreal store chose Microsoft® Retail Management System as customized for their industry by MPI-Jeweler.

Benefits

- Information is typed once for all needs.
- Ambience is more conducive to buying.
- Less clerical work means more selling.
- Knowing sales trends guides decisions.



Custom Jeweler Dazzles Customers with New Efficiency and Attention

“If you don’t embrace the future, you’re clinging to the past. Your customers see all these advantages when they shop other stores. Wouldn’t you want to offer them, too?”

Moneca Kaufmann, General Manager, Kaufmann de Suisse/Montreal

Since its 1954 inception, Kaufmann de Suisse has gained an international following for its innovative designs, and the family opened three up-market stores. When Moneca Kaufmann was invited to leave her career as a financial analyst and manage the Montreal store, she resolved to use her MBA and quantitative background to streamline the many duplicate tasks she saw. Records and job bags were typed or handwritten twice, but needed information was often elsewhere. Customers waited for staff to retrieve records. International tax calculations were difficult; business reports were fragmentary. MPI Systems presented Microsoft® Retail Management System, as enhanced by MPI-Jeweler. Today, customers receive more quality time. Reports display business information in broad or detailed strokes as needed. And, “We type it once, and the information shows up everywhere,” says Kaufmann.

Microsoft
Business
Solutions

“The MPI-Jeweler enhancement really makes Microsoft Retail Management System an ideal fit for the jewelry business.”

Moneca Kaufmann, General Manager,
Kaufmann de Suisse/Montreal

This handmade platinum “Flowing Lines” oval diamond ring holds a 6.26 carat stone.



Situation

The Kaufmann family own and manage up-market custom and made-to-order jewelry stores in Montreal, Quebec; New York, New York; and Palm Beach, Florida. E.P. Kaufmann took his first custom jewelry orders in 1954. As word of his impeccable workmanship and bold, innovative designs spread, business flourished, and he and his two sons opened stores.

Graciously appointed Kaufmann de Suisse stores feature an Art-Nouveau-inspired Flowing Lines collection of necklaces, earrings, and bracelets that evoke often modern, sometimes traditional, feelings. Impressive diamonds and gemstones in tasteful arrays make up brooches, cufflinks, rings, and pins. A growing Web presence dazzles visitors. In-house jewelers and goldsmiths perform repairs, restorations, and renovations.

A New Partner

In 2002, when Moneca Kaufmann was invited into the business to manage the Montreal store, she told her father and brothers to expect change. She was determined to apply her MBA and her background in corporate financial analysis. “In my heart I wanted to join, but my mind had to agree. Would I have invested in this company if it stayed as it was?”

“I love the numbers, the stats, the automation,” Kaufmann says. “Because I’m at ease with computers, my brothers call me ‘Chip.’ Even during my MBA, many of my projects and papers centered around this business. So I was very candid about our strengths and weaknesses.

“Thanks to my father’s inspired designs, and everyone’s good business sense and thorough dedication to customers,” Kaufmann says, “business had grown to three stores in high-end markets.”

In Order, but Hectic

“Things were in good order, but the amount of paper and double work and trips to and from filing cabinets was staggering, particularly because our records are on the second floor. We wrote and rewrote and lost and found our papers. We were working way too hard to stay organized. We always needed one more bit of information that we’d have to run upstairs to find, and then it could be on someone’s desk.

“When I first started here, some business allies asked me for information about our sales and other financial data. I was embarrassed. I had no exact numbers, only approximations. I could quote you stats on a hundred different public companies, but not my own,” Kaufmann adds.

The Early Systems

Kaufmann stores did not really have an overarching, integrated system. “We had basic bookkeeping plus many different procedures for all our functions,” Kaufmann says, “but not a cohesive solution to all a jeweler’s administrative tasks. One store bought a CRM solution that only tracked one sale per customer. What a disaster! We were just thankful we could export its data when we replaced it.

“Our old systems and procedures made us write everything twice. Yet I had very little in reports. It was impossible to analyze sales, materials usage, customer preferences, and trends.

“As another example, every jeweler uses ‘job bags’ to hold items for repair or rework. But we had to write everything once on the bag itself and once again for our files.

“Analyzing and targeting our marketing data was hopeless. You had to search through files to find birthdays, or fiancée’s name, or who had bought what.”

“Only Microsoft gave me a solution that would be compatible with our growth view and serve today’s needs.”

Moneca Kaufmann, General Manager,
Kaufmann de Suisse/Montreal

A dazzling Kaufmann de Suisse original: a tropical fish with 77 diamonds and 65 blue and pink sapphires



The Kaufmanns also knew that the jewelry business leaves no room for error. One lost article can incur a huge financial cost, alienate a customer, and damage a store’s reputation. Doing a physical inventory of thousands of jewelry pieces and loose stones should have taken five or six hours, but interruptions lengthened the task to days and introduced mistakes. “Each error,” says Kaufmann, “adds a risk of loss or mispricing.”

Contrasting Possibilities

“I had seen on Wall Street how smart use of technology helped companies grow. But we were doing so much busywork it was impacting time with customers, our ability to stay on top of details. Too often, we were late leaving the stores after closing,” continues Kaufmann.

“I asked the family a lot of questions about comparative stats because you have to make and market what has successfully sold, and what’s coming along, yet at a price that’s fair to all parties. And it all varies from store to store. What sells fast in Palm Beach might languish on display in Montreal.”

While Kaufmann would bring new efficiencies, there was some resistance. “We had always handwritten our price tags,” says Kaufmann, “and there were other holdovers that family and employees were reluctant to let go of. That whole spirit of handwritten records was felt to be a necessary hallmark of the Kaufmanns’ attention to detail and quality. There was nostalgia about the old ways. We all felt it.”

Solution

Kaufmann searched a year for the right system, looking broadly at 20 and closely at seven. “I didn’t want a system built on MS-DOS®,” she asserts. “And there are big-ticket systems that are still built on DOS. In another case, I was concerned because only one person supported the

product. If he left, so would my support.

“Only Microsoft gave me a solution that would be compatible with our growth view and serve today’s needs. We wanted a system based on pure Microsoft® SQL Server™ [database software], so all our stores could grow and connect their merchandise easily. We wanted solid database integrity.” She selected Microsoft Retail Management System.

Kaufmann verified that, “We could add virtually unlimited information and fields, and integrate with accounting solutions so as to upload customer sales and inventory data directly to our accounting software, completely eliminating any duplicate data entry.”

Customized for Retail Jewelers

MPI Systems, Inc. of Wilton, Connecticut had introduced and demonstrated Microsoft Retail Management System as enhanced by MPI-Jeweler, a fully integrated module for complete retail jewelry management. MPI-Jeweler augments the Microsoft Retail Management System point of sale, inventory, and customer management, adding specialized information for jewelry products, diamonds, colored stones, watches, and other components to the database.

MPI-Jeweler also brings enhanced imaging, memos, jewelry appraisals, a mail-list builder, creation of job bags with barcodes and imaging for repair and work order, plus tracking ability, as well as an imaged gift registry/wish list, search functions, and more capabilities. Founded in 1986, MPI Systems is known as jewelry software specialists with clients worldwide. Rick Kaye was a consultant to the jewelry industry before starting MPI. MPI has won the coveted Microsoft Spotlight Award, the 2005 Microsoft Eastern Region Solution Development Award, and was selected by *Vertical Systems Reseller*

“We needn’t have worried about our ambience! This system improved it. Now we have more time face-to-face with customers.”

Moneca Kaufmann, General Manager, Kaufmann de Suisse/Montreal

magazine as Vertical Winner for Jewelry in the 2005 Specialized Retail Solution Awards.

“The MPI-Jeweler enhancement really makes Microsoft Retail Management System an ideal fit for the jewelry business,” says Kaufmann. “It handles our loose stones and finished inventory. It analyzes customer data, so we can see whom to mail to, based on special dates and customer preferences. It’s user-friendly and customizes to our needs. The support I get from MPI is excellent. Rick [Kaye] and Annette [Schwarz Kaye] are so knowledgeable and responsive.”

System installation was complete in fall of 2005. Data entry and implementation of the system’s many features continue. The store has one register in front for sales and one in the back office for data entry.

employees in Montreal use it. It’s straightforward and learning it is no issue.”

She is now less worried about control of information and inventory. “With the software’s tremendous access control features, I have solid security, and we feel very confident with our employees. This protects honest people from suspicion in case of a problem.”

Benefits

“We needn’t have worried about our ambience,” Kaufmann happily reports. “This system improved it. Now we have more time face-to-face with customers. They wait less while we get something. We don’t seem as rushed. There’s no more climbing stairs a dozen times a day, so I can spend my time on the sales floor, which helps sales, and which I love doing.”

Customers First

“Any customer history and knowledge I need is on-screen in front of me instantly,” Kaufmann says. “I don’t have to ask a client of 40 years for her phone number and we don’t constantly handwrite their address on every invoice. Payment is faster and more graceful with online credit verification. The new efficiency impresses clientele. They’re more at ease with our records and confidentiality.”

And that detail about handwritten tags is resolved. The Label Wizard in Microsoft Retail Management System prints a neat label. “We tie it on with a little silk cord and it looks better than handwritten,” Kaufmann says. “And I suspect that a price from a computer seems a little less negotiable.”

“A jeweler’s biggest challenge is hiring the right people to handle precious customers and merchandise,” Kaufmann continues. “Now that we have the right people, they can give customers accurate answers in seconds.

MPI-Jeweler delivers new sales operations, and marketing capabilities that every jeweler needs.

“The installation process didn’t interrupt business,” says Kaufmann. “Now, four of our 12



“I can spend my time on the sales floor, which helps sales, and which I love doing.... Any customer history and knowledge I need is on-screen in front of me instantly.”

Moneca Kaufmann, General Manager,
Kaufmann de Suisse/Montreal

The model “24” stainless steel Patek Philippe watch with diamonds



And its price-level feature helps us define whether large-scale clients receive special consideration.”

“I plan to integrate my new phone system to Microsoft Retail Management System,” adds Kaufmann. “By recognizing the phone number, it will pop up the customer’s contact and account data onto my screen.”

Kaufmann now spends little time in clerical functions and can work at her correct level, interfacing with important customers, answering questions, and making big-picture decisions.

The Top-Down View

“I see what this system does conceptually,” says Kaufmann. “I see the big picture. Details fall into place once you power up and start looking for ways to remove steps and shorten everyone’s tasks.”

Easy integration and distribution of many data types in Microsoft Retail Management System is proving its worth. Staff now photograph new inventory and pieces that come in for repair. Kaufmann says, “We include photos, which the customer has initialed, with [MPI-Jeweler] job bags. We type the data once, and the system prints out the job bag and the customer’s receipt, plus it’s all in our database. Everything is legible so our goldsmiths get more accurate information. And it’s irrefutable.”

“This system has the capability to set up a VPN (virtual private network) that would show the other stores photos of what each one has in stock. Our technologist integrated an old [Microsoft] Excel® spreadsheet into Microsoft Retail Management System as a redundant backup. It’s even easy to customize,” adds Kaufmann.

Kaufmann de Suisse now knows better what types of stones and styles will sell, so

management better knows what to make. That knowledge even helps define advertising content. Stocktaking time is dropping and is now accurate. Having unlimited item aliases enables calling items by different names to ensure finding them faster. “We can even do a bill of materials with costs in MPI-Jeweler,” she says.

Accounting

“Finally, one entry puts data wherever we want it, in any report or on any printout,” Kaufmann says. “And then it goes into accounting, because the data transfer to QuickBooks is so smooth. If we outgrow QuickBooks, I know that Microsoft Retail Management System will export to anything I’d select.”

“We always carefully watched our cash, credit card and check receipts,” says Kaufmann, “but now, with automatic totals, there are zero questions. The reconciliations are automatic at the end of the day, and it takes no extra time to be exact.”

Retailers traditionally face complicated tax calculations, both at the transaction level, and when reporting time comes. “Our shipments to the USA are tax-free, but Canadian shipments outside of Quebec incur Canadian federal sales tax, while sales and shipments inside Quebec incur an additional provincial sales tax. With the new software, there’s no question which taxes apply to what sale, and calculating them is intrinsic to the transaction. When we pay taxes, our reports tell us which entity gets how much.”

Microsoft Retail Management System also calculates sales commissions and tracks staff hours based on log-on and log-off times at the register. MPI-Jeweler will even enable split commissions when necessary.

Handmade in white gold, a Kaufmann de Suisse "Flowing Lines" necklace with 15 cushion-shaped aquamarines and 120 diamonds



Bigger Plans

Kaufmann hopes to roll out Microsoft Retail Management System to the New York and Palm Beach stores, and then network the chain. She is investigating MPI's manufacturing module, ShopControlPro™, "so all our data can be fully integrated front to back—from our suppliers and prices, to the hours the goldsmith invests, to photos of what we actually made, to the purchase history of who bought the finished piece."

Kaufmann is particularly excited about marketing. "Shortly, we'll start using the MPI-Jeweler mailing list manager for targeted marketing," she points out. And a more powerful server is on the horizon.

Advice to the Trade

"If you don't embrace the future, you're clinging to the past," says Kaufmann candidly. "Your customers see all these advantages when they shop other stores. Wouldn't you want to offer them, too? And you will get a huge relief from seeing the new, smoother ways you work, then comparing them to the old. And you'll worry less about security."

Kaufmann praises MPI as a system source. "When Microsoft came by asking if they could help us, we didn't need it. Our own curiosity about the system and MPI's coaching were ample. When MPI updated their program, we sent them our data and they repopulated the database. They call to check up and ensure we're doing well with the system. They care. They're really good people."

For More Information

For more information about Microsoft products and services, call the Microsoft Sales Information Center at (800) 426-9400. In Canada, call the Microsoft Canada Information Centre at (877) 568-2495. Customers who are deaf or hard-of-hearing can reach Microsoft text telephone (TTY/TDD) services at (800) 892-5234 in the United States or (905) 568-9641 in Canada. Outside the 50 United States and Canada, please contact your local Microsoft subsidiary. To access information using the World Wide Web, go to: www.microsoft.com

For more information about MPI Systems, Inc. products and services, call (203) 762-2260 or visit the Web site at: www.mpisystems.com

For more information about Kaufmann de Suisse (Montreal, Canada) products and services, call (514) 848-0595 or visit the Web site at: www.kaufmanndesuisse.ca

Microsoft Retail Management System

Microsoft Retail Management System offers a complete store automation solution for small and medium-sized retailers, streamlining point-of-sale, 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

Software and Services

- Microsoft Windows XP Professional with Service Pack 2
- Microsoft Retail Management System
- Microsoft Office 2003 Editions

Third-Party Software

- MPI Systems, Inc. MPI-Jeweler
- Intuit QuickBooks

Hardware

- Five Dell desktops
- Compaq desktop
- Generic PC
- Hewlett-Packard printers
- Canon printer
- Samsung all-in-one printer-fax-scanner

Partner

- MPI Systems, Inc.