



## Microsoft Business Solutions Retail Management System Customer Solution Case Study



### Overview

**Country or Region:** United States

**Industry:** Retail

### Customer Profile

Rachael Boutique sells an upscale collection of women's designer clothes and accessories from two locations in Orange County, California.

### Business Situation

Owner Rachael Dickens wanted to avoid the management headaches and erratic paper trails that had plagued retailers that she knew. She built the cost of a retail system into her initial budget.

### Solution

Microsoft® Certified Partner ADC Technologies Group of Newport Beach, California, helped Rachael Boutique implement Microsoft Business Solutions Retail Management System.

### Benefits

- Opened second store in five months
- Owner spends time courting customers, not doing paperwork.
- Retail returns finally under control
- Control over employees' hourly wages, commissions, and bonuses
- Ability to centrally manage many stores

## Entrepreneur Attributes Successful Launch of Boutique Chain to New Retail System

“Putting Microsoft Retail Management System into my first store's opening budget helped me open my second store five months later.”

*Rachael Dickens, Owner, Rachael Boutique*

Rachael Dickens owns and manages two chic Rachael Boutiques in Orange County, California, where she displays rich arrays of high-fashion women's clothing and accessories in upscale surroundings. But Dickens knew the nightmares and long hours that paper-based record-keeping systems caused other retailers. She had even seen months of receipts turned to mush by a water leak. Knowing that her own success would come from more time spent with customers and less with paperwork, Dickens made Microsoft® Business Solutions Retail Management System part of her initial budget. That modest investment in a retail management system returned her much more time for customers, good purchasing decisions—and her business's success. Within months, she opened a second store. Now she's preparing for Web-based sales and plans a third store in 2006. Dickens says that Microsoft Retail Management makes her more confident of stable growth.



“I’m not a computer person, and I didn’t want a system that made me one. I needed results, not complications.”

Rachael Dickens  
Owner  
Rachael Boutique

The inviting entrance to Rachael Boutique in Irvine’s trend-setting Shady Canyon pulls customers into its well appointed interior.



## Situation

The first Rachael Boutique launched in April 2004 in the trendy Shady Canyon section of Irvine, California. It carries nearly 2,000 SKUs (stock-keeping units). The second store followed soon after in September. Specializing in sizes 0 through 12, both stores offer wide arrays of high-end clothes, jewelry, and other accessories. Owner Rachael Dickens shows well-known brand names including True Religion, Frankie B, Rock and Republic, and Diesel denims; Poleci, Single, Halé Bob, and Da Nang tops and pants; Gorjana, Kalan, and Lisa V jewelry; and Junior Drake and Carla Mancini handbags.

No fan of hard sell, Dickens has staff remind customers, “You’re spending your money; it’s going on your body. So be sure you like it.” She earns unending loyalty by finding tactful ways to suggest alternatives if a customer is leaning toward an unflattering buy.

“There are always words you can find to nicely help them not buy something that isn’t right for them,” says Dickens. “Then they know I’m telling the truth when I say, ‘That’s stunning!’ And they come back with friends.”

## Planning Prevents Pitfalls

After working years in other trendy boutiques, when Dickens was planning her own first store, she knew that she needed an edge. The United States Department of Commerce statistics on small businesses show that 40 percent of new businesses fail by the end of their first year. Eighty percent fail in their first five years.

She knew the pitfalls firsthand. Despite hard work and attractive stock, she had seen how store owners often struggled to make ends meet. Dickens saw that a root cause was manual business processes and paper-based administration. They caused “owner

overload,” and led to mistakes and oversights.

Dickens had also seen the merchandise returns process bog down from inadequate records, undated receipts, misfiling, and occasional fraud. Owners didn’t always know whether to accept a return. Petty pilferage frayed their bottom lines as one customer would buy a few items and monopolize staff attention while an accomplice stuffed a handbag with expensive accessories and tops.

“Sometimes we suspected a returned item had been stolen, but our records couldn’t detect that, let alone prove it, so we’d refund the money,” says Dickens.

Stock levels were too often mysterious. Some retail owners thought they knew their fast- and slow-selling items but, with little or no hard data and no way to format it into easy-to-read reports, the majority of stock was hard to purchase wisely. Stores still ran out of top-selling items while they reordered stock destined to gather dust. Sales histories didn’t exist, and trends were impossible to spot.

Paper records could lead to disaster. “When one store’s bathroom sprung a leak, the box with months of receipts turned into mush,” she says. “The owner had no way to validate revenues in case of an audit, and no way to calculate sales taxes.”

But Dickens had seen other new stores thrive and become household names. She believed in the value of a well-run, high-end retail business. To nurture her strong suits in style and customer service—while never short-changing stock knowledge, smart buying, and reliable records—Dickens gave the boring parts of retail to automation, while she worked with customers.

“In other shops, we’d spend half an hour each day on end-of-day manual reports. That’s \$1,800 a year in staff time. With Microsoft Retail Management System, it’s five minutes per day.”

Rachael Dickens  
Owner  
Rachael Boutique

Window decorations and sidewalk racks display the high-quality, high-fashion goods that keep customers walking in.



She made room in her initial budget—along with costs of location, fixtures, and a wide variety of well-chosen merchandise—for the right retail system.

### Solution

First, Dickens talked to dozens of other retailers and toured boutiques. She learned she’d need automation without complication. Her system had to be simple for her to learn and easy to teach when staff turned over. She wanted stability in the software and the firm that would provide it.

Dickens asked a computer engineer to research and rate retail management systems. His business and technical study recommended Microsoft® Business Solutions Retail Management System and he referred her to ADC Technologies Group (ADC) of Newport Beach, California.

“I’m not a computer person,” says Dickens, “and I didn’t want a system that made me one. I needed results, not complications. I saw, by looking at its first product demo, that Microsoft Retail Management System would save me tons of time. I got straight answers from ADC during the sales process, and the Microsoft name closed it for me. That gave me confidence in the product’s longevity and that it would always be kept modern.” The demo also showed that new and non-computer trained staff could master the system with little coaching.

Installation was a quick fit and required only the expected effort of entering inventory. “ADC’s team really made it work smoothly,” she points out. “Rob and Curt were fantastic and they still jump in to help us. When we changed our payment processing company, Curt was down here in a flash to iron out wrinkles. They knew it was crucial we have money in our account. Every time Curt comes, he teaches me something. I look over his

shoulder and he answers questions in terms real people can understand.”

### Benefits

Dickens’s foresight paid fast dividends. The Irvine shop was an immediate hit, helping to drive the opening of a second location in affluent Ladera Ranch. “Putting Microsoft Retail Management System into my first store’s opening budget helped me open my second store five months later,” she says.

But Dickens feels the system’s real benefit is freeing up her and her carefully selected staff’s time to care for customer relationships.

“The Microsoft system gives me better control over cash and receipts. It keeps labor expenses down, helps me buy smarter, and gives me clean and verifiable records without spending hours at it. All this flows into higher sales. And I can’t tell you how thoroughly it solves all the problems with returns. I won’t ever again have to look for old purchase orders in a sheaf of notes on a clipboard.”

### Reports Fuel Customer Loyalty

Rachael Boutique’s customer loyalty program repays customers U.S.\$100 for every \$1,500 spent in her stores. “One regular customer really wanted a \$250 pair of jeans we carry, but said they cost too much for her to spend,” says Dickens. “I checked her totals and saw she had recently qualified for a \$100 credit. She snapped up those jeans.”

Dickens and staff use the system to track customers’ names and birthdays. “You have to let people know they’re important to you,” says Dickens. “If I don’t remember your name, I’ll just ask for your last name and the system pops up the whole name instantly. I can tell when a customer last visited the store. I can even spot regulars who visit more than five times a month.”

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Rachael Dickens  
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Microsoft Retail Management System helps watch and track artfully arranged inventory.



#### Enhancing Efficiencies

Dickens uses Top Performer reports to highlight fast-moving items for larger purchases and to dry out the slow ones. Now carrying goods from 30 suppliers, she will soon peruse reports to weed out the least profitable providers.

“I can check store sales by item, department, categories, and hours of the day using the graphs. That tells me when to have double staffing on the floor,” Dickens adds.

Dickens turns to the system’s commission reports to figure bonuses and commission percentages for her own top sales staff. “Top Performer reports tell me which people get bonuses and better commission structures,” says Dickens.

She uses Microsoft Retail Management System to improve punctuality and pay employees fairly. “I won’t pay people for punching into a time clock, then talking on their cell phone, and eventually getting to work. They’re paid from when they log onto their register till when they log out,” says Dickens. “I can print up reports on each person’s timeliness and there’s no arguing with that.” This feature saves the money and extra steps of a hard-to-track time clock or paper system.

#### Retail Means Superior Service

Checkouts and end-of-day reports are fast and accurate. “In other shops, we’d spend half an hour each day on end-of-day manual reports,” says Dickens. “That’s \$1,800 a year in staff time. With Microsoft Retail Management System, it’s five minutes per day. I can specify, for example, that their drawer won’t close out if they’re more than two dollars off. Then they can print out a separate report to help us track down discrepancies.”

Even individual transactions can be personalized. Dickens or boutique staff can write specific notes in the Details section of receipts. “Say a gentleman buys an on-sale item as a gift. Sale items usually aren’t returnable, but what if she doesn’t love his taste? We can make a one-time exception with a note that shows this sale purchase is returnable because it’s a gift. That can even get a new customer into the store.”

Another way to save steps and avoid customer problems lies in the way Microsoft Retail Management System sets up the length and pricing of sales. The boutique can do short sale periods, lowering prices on sale items for a day or weekend. Each receipt shows the exact purchase price in case of a return, and prices are back to normal Monday morning.

The Transactions on Hold feature helps out staff and other customers when a forgetful shopper has to run back and grab items remembered during checkout. Dickens and staff can serve two or three customers while a lesser system would keep everyone waiting.

When questionable return merchandise comes in, staff instantly know if it left the shop in a purse or in a Rachael Boutique shopping bag. “We turn inventory over so quickly, we can’t recall for sure when a given item was bought. And dates on hand-written receipts can be missing or illegible. In the past, we might be tempted to take it back to keep the customer happy,” says Dickens. “This system makes it easy to track store credits, which is how we always handle refunds.”

#### Big Plans

With two successful stores, Dickens is now enhancing the Rachael Boutique Web site for online sales. She plans a third boutique in 2006. Eventually, she plans five stores, all

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Rachael Dickens  
Owner  
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Transactions go fast and store records stay clear on the purchasing, sales, and any returns of nearly 2,000 SKUs.



managed through Microsoft Retail Management System.

To more efficiently manage expansion, Dickens is having the Microsoft Retail Management System Headquarters program installed. Headquarters is the chain-level solution that allows top management to monitor and control merchandise, prices, and purchasing for multiple stores from a central location. Microsoft Retail Management System Store Operations, on the other hand, helps manage individual stores, and can send data to Headquarters at day end or several times per hour.

“I’m so excited to be installing Microsoft Retail Management System Headquarters. Running multiple shops and the Web site will be faster and easier. We see it saving us even more time and money.”

In the meantime, Dickens’s success has attracted the attention of other new retail entrepreneurs. She has referred owners of two new boutiques to ADC and has received excited thank-yous.

“My advice to any retailer is to talk to ADC because it is so worth it to start out with Microsoft Retail Management System,” says Dickens. “It’s simple to learn and use. When the phone’s ringing and someone is hollering a question from the back of the store, you need checkouts to be intuitive and require no thinking. The screens’ built-in reminders keep you on track during those ‘frazzle’ moments.”

## 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](http://www.microsoft.com)

For more information about ADC Technologies Group products and services, call (888) 823-2848 or visit the Web site at: <http://www.adctech.com/>

For more information about Rachael Boutique products and services, call (949) 364-6800 or visit the Web site at: [www.shoprachael.com](http://www.shoprachael.com)

## Microsoft Business Solutions Retail Management System

Microsoft Business Solutions Retail Management System offers a complete store automation solution for small and medium-sized retailers, streamlining point-of-sale (POS), 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](http://www.microsoft.com/pos)

### Software and Services

- Microsoft Windows XP Professional SP2
- Microsoft Business Solutions Retail Management System—Store Operations and Headquarters
- Microsoft Office 2003 Small Business Edition

### Hardware

- Dell POS GX280 mini-tower workstations with 2.8 GHz Pentium 4, 512 MB Ram, CD-RW, 15" flat panel monitor, and Ethernet network card
- Cherry 7000 keyboard
- Epson TM-T88III P receipt printer
- MMF cash drawers
- Symbol LS 2208 scanners

### Partner

- ADC Technologies Group

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