

BEST BUSINESS

RETAIL: PUTTING TECHNOLOGY TO WORK

Better visibility means better business too

GS1 is a global standards body intent on improving supply chain efficiency – and the benefits are too big to ignore, argues the chief executive of the Irish office

According to research, around 25 per cent of all fresh produce goes to waste, primarily at the retail outlet where it exceeds its best buy date and is discarded. Jim Bracken, chief executive officer of GS1 Ireland, hopes this sobering statistic will give food producers and retail outlets one more reason to think about improving visibility in their supply chain.

"GS1 has been assessing people's attitudes to buying short shelf life products if they were discounted," said Bracken. "We know that shoppers buying fresh food automatically go for the longest expiry date so it makes sense to do something about it."

A standards body that works with disparate industries

to improve supply chain efficiency, GS1 has developed the DataBar barcode that carries more data in the same space as traditional barcodes.

"It could be used for providing an automatic mechanism for marking the price down," said Bracken.

"If it's four days or less, for example, you could have 30 per cent discount; if it's under two days, it could be 50 per cent. It's one way of getting products sold rather than letting them go to waste."

The GS1 DataBar has a wide variety of applications and is attracting interest from major international retailers around the world. It's one example of the many ways that GS1 utilises modern technology. Another is around food traceability.

The 2008 pork dioxin crisis in Ireland highlighted what

happens in the absence of track and trace systems. A 100 per cent product recall was initiated for a 10 per cent contamination rate at an enormous cost to the meat industry and tax payers.

"Most companies would be exposed to significant costs in the event of a product recall, but it's not just the money, it's the reputational damage," said Bracken. "You put in better track and trace solutions for a number of reasons: for compliance, to protect your bottom line, and also to protect your brand."

Despite the high cost of a recall, it's still a hard sell, according to Bracken. "The technology is here, but persuading people to adopt it and do things in a different way is a challenge. You have to win over hearts and minds," he said.

This is a familiar scenario for any project where technology is involved. It inevitably becomes a change management exercise where the culture of an organisation has to be modified. "Old habits die hard," said Bracken. "People persist with the same way of doing things because they haven't carried out a full evaluation that would help them realise that there is a better way that would deliver real savings."

The irony is that better traceability means better product visibility and therefore greater



Jim Bracken, chief executive officer of GS1 Ireland

efficiency. It's actually good for business, said Bracken. "If you run your supply chain based on available technology, driven by open standards, you can actually put in much better operational systems that will deliver the traceability," he said.

A recent study by the Aberdeen Group found that companies that have the most visibility into their supply chains also have the lowest out-of-stocks, the lowest landed costs and the highest

on-time shipment rates. Standards-based, technology-enabled processes provide the data needed to reduce out-of-stocks by 30 per cent and reduce "safety" stocks by up to 27 per cent.

But it's another hard sell in the present climate, where cash is short and it's hard to raise money for new investments. "But sometimes you need to invest to become more efficient," said Bracken. "Organisations that have done it have already realised the benefits."

Integrated accounts help to balance books

Big Red Book gives retailers the functionality they need to survive and thrive in hard times

For even the smallest retailer, the days of fumbling for copiers in greasy tills are coming to a close. More often than not, payments are now received by swiping a card through a chip and pin terminal to add a few more electronic bits to an online, accessible bank account.

Along with the ever-increasing automation of payments, there are a variety of software systems that can help retailers of all sizes streamline their vital administration and management functions. Aimed squarely at the smaller retailer is the popular Big Red Book accounting software, which provides all of the standard account management functions that any business needs at a cost-effective price.

For the retail market, Big Red Book has teamed up with a specialist company called Retail Integration to provide what managing director Marc O'Dwyer called "a full turnkey EPOS [electronic point of sale] solution integrated with a full back office accounts system" to handle many of the specialist functions a retailer needs.

"Our relationship with Retail Integration involves us doing the sales and marketing while it concentrates on the systems integration," O'Dwyer said. "Our product starts at about €5,500 and includes the EPOS system with a touch screen terminal, cash till, barcode scanner and receipt printer, along with integration to the back office software."

As well as providing standard ledger and profit and loss functions, the integrated retail system allows outlets to manage loyalty-card schemes and promotions while giving complete oversight of all financial transactions to the shop manager. Customers for the integrated system in Ireland include Irish Items, a store specialising in school uniforms, and Deveney's off-licences.

Key benefits of the system include the ability to manage stock effectively, providing reports on the demand levels for each product so that they can be replenished in a timely manner. "Our customers have the functionality to enable them to manage their cash correctly and to manage their stock better," said O'Dwyer. "That is very important in the current harsh environment."

Another benefit, especially for the smaller retailer, is the ability to pre-programme marketing promotions to start at a time when the shop manager may be away. "The system can produce barcodes automatically and email promotion orders to the relevant suppliers," said O'Dwyer. "It helps to free up the manager's time while retaining full control."

It may not be the most opportune time for retailers to invest in big-ticket software purchases, but O'Dwyer said that there were opportunities as well as drawbacks for innovative entrepreneurs. "A lot of businesses are closing, but many more are setting up as well," he said. "Rents are low-



Marc O'Dwyer

er, and in today's market it is possible for retail start-ups to get very good deals on rent 'holidays' until they get established."

Although Big Red Book has embraced the cloud computing model with its Big Red Cloud offering, allowing customers to pay for the software on per-use basis, O'Dwyer said that this model was not particularly apposite for the retail market – especially for customers who preferred the integration with the point of sales and stock-control systems.

Nor are the company's products exclusively used by smaller retailers. "We are currently quoting for a system with a retailer that has ten outlets," said O'Dwyer. Furthermore, the Big Red Book accounts software is also in use with over 100 Musgrave stores, albeit not as part of the alliance with Retail Integration.

"Larger retail operations tend to have their own systems in which they have invested," said O'Dwyer. "But they are typically too expensive for smaller retailers. They have a lot of additional annual costs which our system does not have."

Commercial Profile: Captiva

Captiva deal a tasty one for Eatcity.ie



Eddie Carty and Mark Allen, directors of Captiva POS and EatCity.ie

Eatcity.ie, part of the well-established POS business Captiva POS, is celebrating its second year in business. Captiva POS is the market leader in the hospitality business in Ireland. Eatcity.ie's clients now include Eddie Rockets, Pizza Hut Delivery, Diep at Home Bombay Pantry, Kanum and now Mao At Home.

Through a long consultation process, Mao has chosen to go with Captiva POS for its new Mao At Home concept. The first store has just opened on Baggot St in Dublin. EatCity.ie is fully integrated with the Captiva POS system. This allows Mao At Home customers to order online and have their order print directly into Mao's kitchens.

Captiva POS clients can now change menus and update prices on their terminals, this will then automatically update all EatCity.ie prices. This is a huge time and cost saving benefit. EatCity.ie also provides a white label site, this allows stores to enable online ordering on their current web site with very little interruption.

The home delivery market is still experiencing growth and now having EatCity.ie

integrated with Captiva Pos is seen as a crucial part of opening a new store.

Customers can order food online from Eatcity.ie, receiving a text message with delivery time details. A key feature for restaurants and takeaway owners is direct printing into kitchens via their POS system of all orders, allowing the kitchen to manage orders effectively and efficiently. Owner-managers can run product and sales reports at the touch of a button.

The integrated Captiva POS system also has a voucher code for special offers, spend €20 and get a €5 discount. The unique voucher code is set up on the Captiva POS system and makes redemption simple.

Clients are drawing in a new market from the online community, one that was not easily accessible without Eatcity.ie.

Eatcity.ie is a user-friendly site and generates business for clients in an ever-changing technological arena.

For more information, contact Captiva POS on 01-2966166 or e-mail sales@captiva.ie; www.eatcity.ie; www.captiva.ie



Manage multiple outlets with the right technology

Retail organisations comprising one or two outlets have relatively straightforward requirements when it comes to stock control and

managing inventory levels. Once they grow in size to the point where they have multiple outlets across several towns or cities – and maybe a central warehouse of their own – they

see a rapid rise in the costs associated with making sure the right amount of merchandise is in the right place at the optimum time.

"It's all about stock control,"

said Morgan Browne, chief executive of Intelligent Information Systems (IIS). "Retailers need to be able to track their sales and feed back the information in real time to ensure they have the right level of stock in their central warehouse. Then they have to ensure the right replenishment stock is shipped to the right outlets in time. They don't want to keep stock tied-up in inventory."

IIS is a reseller for SAP Business One software, which is a stripped down version of the market-leading SAP Enterprise Resource Planning (ERP) software aimed at smaller organisations than SAP's traditional market. IIS sells across a range of industries, including the retail sector where, Browne says, the company has eight customers in Ireland.

"Our target market is companies whose annual turnover ranges between €10 million and €100 million," he said. "Our retail customers include

Sound Store, a major electrical retailer with six outlets across the Munster region, and Pulse Accessories, which operates a chain of nearly 30 stores throughout the country. The key thing Business One provides these customers is visibility across their business."

Business One comes with a great degree of generic templates and modules which fit well on to many standard business procedures. Less customisation is required which reduces the initial cost of installation, which is not to say that there is no need to tailor the software to each individual customer's requirements. It is rare that one size will fit all.

"Stock replenishment procedures will be different for every customer," said Browne. "Product life cycles are different. For example, new models of plasma screen televisions come out every six months, so the retailer has to be able to attach the history of an old model to the new one."

A retailer with multiple outlets and a central warehouse will also need to plan delivery schedules and stock replenishment at each outlet according to their particular locations and the differing shelf life of each product.

"Also, sales people may move from store to store regularly and the company needs to keep track of who is selling what to calculate commissions," said Browne, "and they have to calculate rebate margins on each product depending on the volumes sold. All of these need to be customised."

Despite the difficult trading environment for all retailers at present, Browne insists that Business One software remains a sound investment for retail multiples seeking to reduce costs. "Retailers need to get a better handle on their stock," he said, "especially at times such as these when control of costs is vital. They need efficient IT systems to take the pressure off."

Commercial Profile: Sony Professional

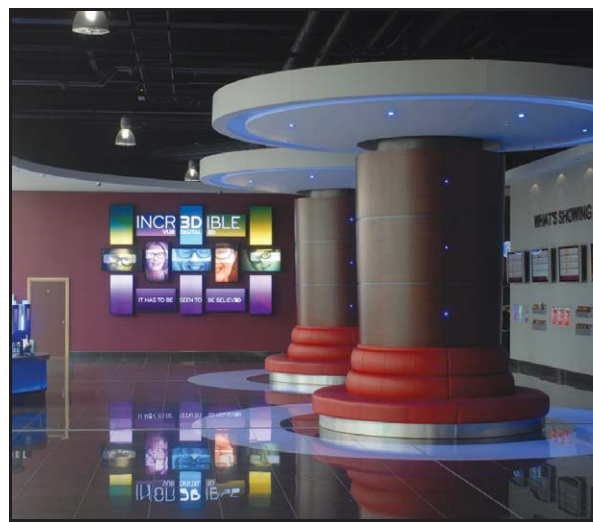
A 'digital' sign of the times

Digital signage offers three distinct benefits over other forms of promotion. Firstly, it works at the point of decision making – in the store. Secondly, it entertains, providing a much more engaging platform for influencing. Finally, content can be updated quickly and cost-effectively, allowing for the delivery of tailored, up-to-date messages to target audiences. It is a simple, yet effective, mix of technology and advertising in the right place. In the retail environment, this translates into sales – around 30 per cent more sales.

The uptake of digital signage can be largely attributed to two factors; firstly, the price of LCD/plasma display technology has fallen significantly over recent years to a level that accommodates even small budgets. Secondly, in-store promotion can be directly measured, so effectiveness and value can be quantified.

Sony Professional has been at the forefront of developments in the digital signage market and today has an unrivalled suite of both software and hardware digital signage solutions.

In response to the proliferation of televisions used in the digital signage market, Sony Professional has created the BRAVIA Professional Display range with screen sizes ranging from 32" to 65". The new BRAVIA Professional Display range draws on Sony's experience in the television market to offer similar high-quality products to the digital signage



Sony digital signage installation at one of the Vue Cinema venues

market.

According to Eamonn Halligan, Sony Professional's distribution manager for Ireland and UK, "The BRAVIA Professional Display not only delivers excellent bespoke images to the target viewer, but also opens up an array of options to the operator, ensuring it can access and display content from a number of sources, in line with user preference."

In addition to significant developments to its hardware offering, Sony Professional has also recently announced some significant announcements to its software range. Included among these announcements is the launch of the VSP-BZ10 HD Digital Signage Player, ensuring a comprehensive solution to visual digital engagement. The VSP-BZ10 is proving popular, reliable and environ-

tally-friendly.

Consuming only 8W, the VSP-BZ10 is able to provide Full HD video and image playback with interrupt capability useful for on-the-fly messaging. It supports vertical and horizontal scrolling text, as well as conversion of Flash and Powerpoint files, and allows for USB or Network distribution. The VSP-BZ10 comes with Signage Player Management Software and is capable of managing up to ten units of VSP-BZ10 players.

For further information on Sony's digital signage solutions, please visit website pro.sony.eu/digitalsignage

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Tuning in to TV signage

Sony's digital signage specialist explains why in-store screens are more cost-effective and flexible than traditional point-of-sale promotions

The act of queuing to pay for something in a shop may be a mundane experience, but like almost every aspect of our lives it has been touched by the multimedia revolution. These days there is often an eye-catching flat screen TV hanging over us, relaying product images, marketing messages or special promotions. Welcome to the world of digital signage.

The last few years has seen the number of in-store screens grow dramatically in Ireland, according to Eamonn Halligan, Sony Professional's distribution manager for digital

signage. Yes, the recession has seen a slight slowdown, but the business case is still compelling.

"It has been particularly popular with convenience stores," said Halligan. "In the past, they had been spending tens of thousands of euro on printed point-of-sale materials that were expensive and labour intensive. You have to have staff members putting them up and taking them down, and when a manufacturer or distributor decides to change a promotion, you have to start all over again."

As well as eliminating the costs of printing and proofing, digital signage is a much more flexible marketing tool. "It is

more adaptable and a better media for in-store promotion and content. If it's raining, for example, you could put umbrellas up on the digital signage in minutes. That's a powerful tool," said Halligan.

A high-definition TV screen is also a lot "sexier" than posters or cardboard cutouts. "Good signage definitely adds to the demeanour of a shop and it helps pass the time if you are in a queue."

The whole phenomenon took off in the United States first, as things often do. It was a slow start when Halligan began selling systems four years ago in Ireland.

"Initially, it was hard trying to persuade people that this



Eamonn Halligan, digital signage distribution manager for Sony Professional

CREDIT

was the way forward. More recently retailers have taken it on-board and they see the benefits. It started growing on a month-by-month basis," he said.

Uptake was driven by the cost of TVs coming down at

the same time as the technology improved. When Sony discovered that some retailers were buying its consumer Bravia range for use in-store, it took the hint and responded with Sony professional Bravia sets that stay cost competitive

while boasting a more robust build.

Preferred screen sizes for Sony sets have been in the 46 to 55-inch screen categories. The typical price of 46-inch LED TV is €1,100 – you get an ultra-slim high-definition

monitor with a three-year warranty for your money. It's also easy on power, a big consideration for retailers who will be leaving the sets switched on all day.

But does digital signage really make a difference? Ab-

solutely, said Halligan, who has case studies to prove it. "With one Cork convenience store we measured sales based on promotional offers before and after the digital signage was put in. The retailer saw a 30 per cent increase in sales."

Sony is also in the business of selling digital signage players such as The VSP-BZ10. The €600 machine plays back HD video all day long, running on just 8 watts of power compared to 200 watts that would be used by a PC. It comes with 25 templates allowing the retailer to drag-and-drop content, creating their own promotions with scrolling text. At the higher end, Sony software facilitates massive installations with multiple screens in sports stadiums or a chain of retail outlets running the same video simultaneously. Sony's Ziris Professional brand simplifies the management, distribution, scheduling and play out of mixed multimedia content, and supports centralised remote monitoring and control.

"A retailer with 30 stores could manage the content from a single source in the company's central office," said Halligan. "In France, every post office has a Sony screen running content, all managed by two people in Paris." He said the investment for larger installations only starts to make sense when there is a requirement for 15 screens and upwards.

Real-time accounts add up to real savings for retailers

With pressure mounting on the bottom line, some retailers are taking to the cloud for a more cost-effective and efficient accounting solution

A Waterford accountant practice with software as a service solution is attracting the interest of Irish retailers looking to cut back on financial management fees. As the economic noose tightens around a beleaguered sector, retailers are under pressure to find new ways to save money and are revisiting long-established business processes.

"The system we give them puts them in the best position to succeed, because it gives

them constant clarity of financial performance while reducing external accounting costs," said Denis Breen, practice principal at Dennis Breen & Co.

Depending on the size of the business, a retailer can manage its financials for up to 30 per cent less than the cost of an external accountant, according to Breen. He said the software is so easy to use that it can also do away with the need for an internal bookkeeper.

"You can eliminate or re-

duce bookkeeping costs, reduce external accounting fees and get 12 sets of financials instead of one four months after the year-end. It's an absolute no-brainer," he said.

Breen's practice uses Xero, a platform developed by a New Zealand software company that enables everyone involved in finance to work off the same system with little or no knowledge of traditional bookkeeping.

"Because it's in the cloud everyone is looking at the same



Denis Breen, practice principal at Dennis Breen & Co

information at the same time," said Breen.

Converts to the new way of

doing things include a chain of pharmacists in Cork who have saved €12,000 a year by elimi-

nating the need for external bookkeeping. Further savings came from cutting their accountancy fees.

Cost savings are only part of the story, stresses Breen, because the software as a service delivery model also makes it easier to manage the bottom line.

"The retailer gets to see monthly financials that allow it to react to market situations in a more pro-active manner," he said. "It's about calibrating your business and being able to respond earlier rather than later. It's about visibility of cashflow and seeing how the business is performing."

This chimes nicely with the new business reality. A few years ago, retailers were enjoying the fruits of the Celtic tiger, had money in the bank as a

cushion and didn't need to worry as much about the bottom line.

"Now the cushion has gone," said Breen. "They may still have a profitable business, but margins are under much greater pressure. For pharmacies, margins are constantly under attack by the government, which is both the supplier and customer. The future is uncertain for the sector so it's imperative they know where they are and their margin of safety at all times."

The retail sector is sometimes considered conservative in its adoption of technology and would not be an obvious candidate for the early adoption of cloud-based services. But the delivery mechanism is unimportant if there is business advantage to be had, ac-

ording to Breen.

"They are looking for solutions to pain points; they worry about not having accurate information available to them that will let them run their businesses more effectively," he said.

"They will look at any system if it's credible and the person putting it in has the expertise to make it do what it's supposed to."

The simplicity of Xero and its easy interface is ultimately what swings it for his customers. "There are complexities, but they are kept well away from the front pages of the system and only brought on if needed. It's a straightforward system of basic accounts, money in, money out, with all the technical stuff in the background," he said.

Takeaway trade a runaway success for Captiva Software

Commercial Profile: GS1 DataBar

Innovative solution for scanning fresh produce

Tired of slow supermarket queues with operators manually looking up products with no barcode and just a PLU? Now with GS1 DataBar, an innovative, intelligent barcode, a solution for scanning and managing loose, fresh and chilled products exists.

Using new barcodes such as GS1 DataBar can significantly assist retailers in the more efficient management of the fresh category by improving product availability, sell-out and reducing wastage. While the fresh category represents a significant percentage of turnover and profit margin, management of these products poses many challenges including efficient replenishment and price markdown. GS1 DataBar barcodes are unique in that they present a real solution to the challenge of barcoding and scanning very small products as well as time-sensitive loose and fresh produce. Today at the checkout a PLU or price look up is used to sell these non-barcoded items. While PLU works, it causes checkout delays and can cause issues such as incorrect identification of the product and its price.

GS1 DataBar delivers on several fronts for retailers. One, it can be printed with the barcode number at an incredibly small size enabling the scanning of previously hard to mark small items. This is critical for fresh produce, especially items such



as exotic or organic fruits which may command a premium price. Secondly, GS1 DataBar can encode additional information such as expiry or best before dates, vital for stock rotation and preventing the sale of expired products.

Using GS1 DataBar and expiry date information additionally enables automatic price markdown systems. Tills can be enabled to apply a specific percentage discount to a product depending on the number of shelf-life days remaining. This saves on labour and label costs. Independent research has shown that shoppers are willing to accept products with a short shelf life if they are being given a discount. The features of GS1 Data-

Bar not only speed up checkout operations but also deliver on customer satisfaction and expectations with regard to fresh and chilled produce. For any retailer serious about tackling shrink, be that through food wastage or underpriced selling, GS1 DataBar presents a real and tangible solution.

For more information contact GS1 on 01-2080660. GS1 is a global, not-for-profit, neutral standards body.



A few years ago, Eddie Carty took the decision to extend his company's core capability in EPOS (electronic point-of-sale) solutions and target the takeaway food sector, a timely move that has given Captiva Software a recession-free strand to its business.

Year-on-year, Captiva has seen a 24 per cent increase in turnover, but the most startling statistic is the 300 per cent increase in transactions through Eatcity.ie, its online ordering service that is currently used by takeaway restaurants all around Ireland.

"People got used to eating out and spending money on good food during the Celtic tiger years," said Carty. "The legacy in the recession has been a huge uplift in home ordering, but also demand for what you would consider quality restaurant food."

As a consequence, Captiva has been picking up more exotic clients, including Kanum, a chain of Thai restaurants and Bombay Pantry, which sells Indian food. Established customers already include various pizza outlets and Eddie Rocket's. A sign of the times is the interest that other high street brands are now showing in the home market, and many look to Captiva to facilitate their takeaway operations.

The Mao cafe chain is the most recent addition. "It's a measure of how popular online ordering has become. Mao has traditionally been a high street brand, but it's just opened up three new outlets and invested in four Eatcity terminals," said Carty.

Captiva started selling the touchscreen terminals six months ago, the latest development in the evolution of Eatcity. The virtual terminal is essentially the hardware piece of a software-as-a-service solution, which Captiva sells for around €1,900 complete with



Eddie Carty

printer and a cash drawer.

"They are branded in Eatcity colours and shipped with nothing on them. All the customer has to do is plug it into broadband and we load all the menus remotely over the internet," said Carty.

The business model is refreshingly simple. When an order is made online it goes straight into the terminal and then the printer in the kitchen. Customers can pay by credit card or with cash on delivery. They receive a text message confirming that the order has been received and how long it will take to deliver.

When a fast food business sign ups for Eatcity, they have the option of simply piggy-backing the site or taking it as a white label service – re-branded to their design with a front-end website that lists their locations and menus while the backend seamlessly links to the Captiva site.

With the terminals now available as part of the package, Captiva offers a one-stop-shop for companies looking to grab a piece of the home delivery market. This is an important differentiator at a time when there is increasing competition in the market from multinationals.

"As an indigenous company we are successfully fighting our space. The white label approach is one way we stand out, and by adding the terminal we make it even easier for our customers," said Carty.

Not Just Any Link

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big red retail

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