



Overview

Country or Region: United States

Industry: Retail

Customer Profile

Montgomery County Department of Liquor Control in Maryland owns 24 stores taking in nearly \$230 million. Profits go to the County General Fund.

Business Situation

Managing customers, stock, and buying 30,000 items on a text-based system ate hundreds of hours a month. Screens and credit card processing ran slowly.

Solution

The County chose Microsoft Dynamics Retail Management System 2.0 for end-to-end retail management, reporting, customizable POS screens, and flexibility.

Benefits

- Lines move faster, reducing shrinkage, breakage.
- Reconciliations take one hour a day, saving 99 percent of previous time.
- Managers replenish in one hour, saving 73 percent of old task time.
- Automatic, flexible reporting enables instant discounting of slow items.
- If servers fail, registers keep selling and collecting data.

County Liquor Chain Raises Gross, Cuts Tasks by Thousands of Hours, Gets Secure Sales

“We’ve slashed tedious reconciliations from 30,000 staff hours a year to less than 365. Microsoft Dynamics RMS cut that task to one percent of its former hours.”

Diane Wurdeman, Retail Operations Manager, Montgomery County Department of Liquor Control

Managing 24 liquor stores over 497 square miles was consuming thousands of unnecessary hours at Montgomery County Department of Liquor Control (MCDLC). As store profits help reduce taxes and bolster County services, management became concerned about very long lines, laborious purchasing, delayed reports, and hardware crashes. New, more-secure credit card terminals required entering totals twice, and were still slow to respond. MCDLC selected Microsoft Dynamics Retail Management System 2.0 (RMS) as enhanced by Systems Technology Group. Reconciliations now take one percent of previous time. Managers purchase in about one-quarter of previous time. Customers smile at the fast transactions, and lines no longer wind through the aisles. Reports are generated and emailed automatically to managers who can act instantly on their new knowledge.



“Managers now replenish in one hour a week. We’ve cut more than 4,600 yearly manager-hours off purchasing, freeing up 73 percent of our previous time. And we save a lot of trees!”

Diane Wurdeman, Retail Operations Manager, Montgomery County Department of Liquor Control

Attractive and clearly signed storefronts help MCDLC sell more than \$100 million in retail beer, wine and liquor annually.



Situation

Montgomery County Department of Liquor Control (MCDLC) manages 24 wholesale and retail beer, wine and liquor stores in Montgomery County, Maryland, with total revenues of \$220 million. Just in its retail stores, 220 employees sell more than \$100 million annually through more than 65 checkout lanes.

Because proceeds benefit Montgomery County General Fund, mounting problems with an earlier point-of-sale (POS) system began to cause widespread concern.

Barriers to Sales and Growth

MCDLC's previous hardware often crashed, cutting into sales, frustrating customers, and siphoning off many staff hours in the fix. MCDLC has always zealously guarded customer credit card data so, to meet PCI standards, MCDLC updated credit card terminals in 2005. But these slowed checkout lines by not integrating into the aging POS/retail management software.

This resulted in double entries at the register and double hours to reconcile revenues and correct inevitable mistakes.

MCDLC's small POS software company went bankrupt a few years after the County purchased its software suite, resulting in no tech support, no updates, hard-to-find employees, and few knowledgeable consultants. Its text-based screens looked obsolete and could not be customized to meet evolving marketing needs or business changes.

In stores and at headquarters, creating customized reports was slow and results were uncertain. User auditing and account management were impossible. As the database was limited to two gigabytes, IT staff offloaded data annually to prevent system lockup. Daily reconciliations of sales, cash, and credit card data added thousands of staff hours annually.

Planning the Upgrade

Jhason Abuan, MCDLC IT Director, says, "Our earlier agglomeration of old hardware, software and terminals would never scale up to growing population and new business needs. We evaluated proposals against problems we knew about and IT and retail operational goals we forecast.

"We specified faster transactions, secure and integrated credit card transactions, data integration to our Warehouse Management System, centralized ordering and reporting, 24/7/365 support, licensee sales tracking, integrated age verification at the POS, scalability, customizable POS screens and—above all—a system we could always mold and adapt to changing needs."

Solution

Systems Technology Group (STG) from Buffalo, New York, offered an end-to-end retail solution that fulfilled MCDLC's needs. With it came STG's team of seasoned retail professionals led by Vice President Paul Flowers. At the system's heart is industry-standard Microsoft Dynamics Retail Management System 2.0 (RMS).

Abuan relates, "We evaluated another respected enterprise POS solution but found it was not cost-effective and required more tailoring. We passed up Open Source solutions because they can require a high level of system knowledge, network administrative experience, and a developer's background. We considered

“During our first holiday season with Microsoft Dynamics RMS, lines no longer wound through the store. They moved so much faster that theft and breakage were both sharply down.”

Diane Wurdeman, Retail Operations Manager, Montgomery County Department of Liquor Control

smaller POS software companies, but they did not compare to the confidence we got from Microsoft’s installed base and product maturity.”

Decision and Deployment

The County and STG tested the proposed Microsoft system in the County’s Proof of Concept environment. Rollout began conservatively in one store for one month. When MCDLC management was certain of viability, and staff had proved the system’s ease-of-learning, STG and MCDLC installed two to four stores weekly. STG integrated software and hardware, and managed the project. The County bought full Microsoft software support for three years with an option to renew.

In every store, Microsoft Dynamics RMS Store Operations software speeds up, tracks, and reports every retail aspect from sales through dynamic stock management to reordering—even reporting individual staff’s access to system functions.

Retail-Smart Capabilities

Hourly, in MCDLC’s central office, Microsoft Dynamics RMS Headquarters software polls all stores to import sales data, transactions, and stock levels. This software offers an easy-to-use spreadsheet interface to change prices, start and end specials and discounts, and balance products across the chain. It enables simultaneous entry or removal of products in every store database and offers sophisticated reporting choices by enterprise, store, department, category, product, and dozens of other variables.

Abuan reports, “Every day, this system sends its data to our Warehouse Management System.

Then an STG customization imports product additions, deletions, price modifications, and other item attribute changes into Microsoft Dynamics RMS from the Warehouse Management System.

Abuan says, “Pursuing this County’s dedication to security, STG and our team configured and deployed our hardware and software to meet the Payment Card Industry Data Security Standard.” The county acquired new IBM x Series server to run Microsoft Dynamics RMS Store Operations in each store. Microsoft Dynamics RMS Headquarters software was loaded on existing customer servers.

“We’ve standardized on Microsoft because Microsoft is the standard. It’s easier to find people with Microsoft skills, and relevant Web forums are everywhere. Microsoft products have a uniform look, feel, and many common commands, so learning a new Microsoft product is easier and faster.”

Benefits

“End-to-end data integration—from POS to headquarters to our warehouse system and back—speeds work and improves results in every department,” says Abuan. “Lines of customers roll out faster thanks to integrated age verification, more-efficient screens, and processing credit cards in two to four seconds. Centralized credit card settlement has cut back-office admin time drastically. We also know that adaptability and easy customizing of Microsoft Dynamics RMS will let STG meet our dynamic business and marketing needs.”

Tens of Thousands of Hours Saved

Retail Operations Manager Diane Wurdeman reports, “Reconciling credit cards once took every clerk up to 30 minutes per day. Then add several hours for each store manager to find and fix errors the next morning. The new accuracy

An efficient POS with a second screen that can show customers their purchases helps speed lines and assure return visits.



“Since Microsoft Dynamics RMS collects so much useful data... we now create extremely granular reports, or tightly defined big-picture views. End users build unique reports without involving IT.”

Jhason Abuan, IT Director, Montgomery County Department of Liquor Control

of Microsoft Dynamics RMS has cut this to one bookkeeping person spending an hour a day to reconcile charges from the credit card processor. We’ve slashed tedious reconciliations from 30,000 staff hours a year to less than 365. Microsoft Dynamics RMS cut that task to one percent of its former hours.”

Wurdeman says, “Twenty-four store managers once spent three to four hours weekly purchasing—plus printing our 60-page order book. Add to that nearly a full day each on our three big sales. Managers now replenish in one hour a week. We’ve cut more than 4,600 yearly manager-hours off purchasing, freeing up 73 percent of our previous time. And we save a lot of trees!”

and breakage. During our first holiday season with Microsoft Dynamics RMS, lines no longer wound through the store. They moved so much faster that theft and breakage were both sharply down.”

Customers respond predictably to the new two-second credit card processing with, “Wow, that was fast!”

The new system improves revenues in other ways. Seeing accurate inventory at other stores helps make sales that would have previously been lost. If a hardware crash pushes a store server offline, registers keep on checking out customers and recording all sales data for later upload. When reports show an item moving slowly, its price can be reduced to sell faster and give shelf space to more-active products.

POS Speed Ramps Up Revenues

She says, “Even customers in our 75-foot-long Christmas lines are served in less than ten minutes. Previously, holiday lines circled and snaked through the aisles, raising theft

Easier, Timelier, More Accurate Reports

“Our previous reporting was always at least a day old, and then reports were never exactly what we wanted,” Abuan says. “Since Microsoft Dynamics RMS collects so much useful data in its central Microsoft SQL Server database, we can create extremely granular reports, or tightly defined big-picture views. End users build unique reports without involving IT. One staff developer leveraged our new tools to auto-create, schedule, and send relevant reports to selected staff in various formats.

Wurdeman says, “First thing every morning, I see auto-generated reports for every facet I manage: returns, line item voids, coupons, markdowns, and especially sales figures. This gives me back 20 to 30 minutes daily that I used to spend running reports. It also prompts me to check these factors early, before other tasks pile up.”

“Sometimes we use stores’ local Microsoft Dynamics RMS software for reporting, other times we employ Microsoft Dynamics

STG’s speedy Age Verification capability (see inset below from a previous screen) accelerates once-slow lines. Note custom function buttons that expedite every sale.



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 Montgomery County Department of Liquor Control products and services, call (240) 777-1931 or visit the Web site at: www.montgomerycountymd.gov/dlc

For more information about Systems Technology Group, Inc., call (716) 821-9808 or visit the Web site at: www.stgpos.com

RMS Headquarters or ODBC." (Open Database Connectivity is a nonproprietary SQL programming interface specified by Microsoft for database connectivity.)

Abuan says, "Our POS environment is more customizable, thanks to Extension Manager, a software tool that STG wrote. We can peek and tweak each store's configuration. STG has been a pleasure to work with. They were extremely professional and responsive from start to finish. They proved to be implementation experts on the Microsoft Dynamics RMS platform."

Proven Advice on System Selection

Abuan offers his ideas to other chains that must upgrade older hardware and software. "It's a given that you will have to customize any standard software you buy. So pick the one that needs the fewest—and easiest—modifications.

"Look at the number of installs your POS candidates have. Use that to appraise their survival over your next ten years. Check vendors' references. Microsoft is a large company and Microsoft Dynamics RMS has a large installed base. We're confident this software will be well supported and always keep up with new technologies."

Microsoft Dynamics Retail Management System

Microsoft Dynamics Retail Management System (RMS) 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 Dynamics RMS 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 Dynamics RMS has the flexibility and scalability to grow with a retailer's business. It works with the Microsoft Office system, 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 Dynamics RMS, go to:

www.microsoft.com/dynamics/rms

Software and Services

- Windows Server 2008 R2
- Microsoft SQL Server 2005
- Windows Server 2003
- Windows XP
- Windows XP Embedded
- Microsoft Dynamics Retail Management System (RMS)
- Microsoft Exchange Server
- Microsoft SharePoint
- Microsoft Exchange
- Microsoft Office

Partner

- Systems Technology Group