

A woman with dark hair tied back is looking at a pink lace dress hanging on a hanger. She is in a clothing store with racks of clothes in the background. The image is part of a whitepaper cover.

A Futura Retail Solutions Whitepaper

# 9 Essential Steps to Selecting a Retail Management System

**Whether you are a small retailer with one or two stores, starting out fresh in the world of retail or a well-established brand, choosing a retail management system for the first time or to replace a legacy system, is a major decision.**

The choices can be especially taxing if you need to upgrade systems that have run out of steam or if you find yourself with multiple software systems, each with different data and none of them talking effectively to each other.

Core to the system you choose should be **accurate stock or inventory control**. This will help you to minimise mark downs and maximise sales. It also means limiting how much capital is tied up in stock and ensuring customers aren't disappointed when items are unavailable. For fashion and lifestyle retailers with colours, fringe sizes and seasonal differences to think about, this can be doubly challenging.

But an effective retail management system is much more than this; it covers a raft of integrated business

functions with inventory management at its heart, forming the hub or central nervous system of your business. Everything you need to operate your business effectively, end-to-end.

It's an important investment decision to get right and because it impacts all areas of your business – your requirements will almost certainly change as your business evolves – making the right choices can be challenging.

So what do you need to think about when selecting systems and what are the steps you can take to improve the outcome? This guide will help you through some key stages on your journey. But be realistic. Time and effort is needed to get things right and you should plan for three to six months to complete the process.

# 1 | Check Capabilities

Retail management and inventory control systems, the terms are often interchangeable, are all different. Each will offer a suite of common retail functions covering essential business processes. Check the capabilities offered. Some may be more complete than others and they will be executed in different ways with varying levels of sophistication, capability and depth.

E-commerce and warehouse management functions for example may not be included and anyway you may already be thinking of using alternative 'best-in-breed' solutions for these and other critical business areas.

Drilling down beneath each functional area will reveal an extensive range of features and claims, many of which may not be immediately relevant to your business, but which might prove essential in the future. **Focusing on core 'must have' features is key.**

**Saltrock switched to Futura's EPOS and head office retail management system during 2015 to help drive performance across an expanding UK store network.**

**Richie Jones, Head of Digital and Marketing at Saltrock said:**

**"Designed for lifestyle retailers like us, Futura provides the perfect platform to deliver the right customer experience and the management control to react effectively to changing demands on the business."**

# 2 | Needs Assessment

Start by assessing the capabilities you have now and new features you'll need in the future. How many stores do you have and how many do you plan in the near to medium term? **Will the system scale easily and cost effectively?**

This might not be immediately relevant but understanding what the cost of adding your next store is likely to be in terms of IT and systems is important. You need to be sure there won't be any costly surprises later down the road and some systems simply don't scale easily.

Will you need new hardware – tills, card readers and printers? If you're not already online when do you expect to add this capability and will the system manage stock for your website? Will multi-currency support be important? What about payment options? Will you want to sell on Amazon and other online markets? Do you plan to offer Giftcards or Loyalty?

There are a host of things to think about and you need to do some wide information gathering in order to develop a checklist for your business (or consult with people who can advise you).

# 3 | Core Factors

Core elements you need to operate your business will include applications for Point-of-Sale, Sales Order Management, Purchasing and Goods Receiving, Inventory Management, Management Reporting and Analysis, along with dashboard type features to help you interpret information and monitor activities.

Customer Relationship Management (CRM) should be in the mix somewhere because you'll need to manage customer data, track preferences and run promotions. And you'll need seamless links to your E-commerce applications. But you may not need all these in one hit.

If you already have some systems in place or you expect to use other 3rd party systems for some aspects of your solution you should check that they can be integrated easily and how much work is involved.

## 4 Beware Modularity

The modular approach taken by some retail management systems might seem attractive if it affords a lower starting point, but beware initial quotes that grow and grow as more features and functionality are required.

Complete solutions by contrast, Futura included, should offer scalability into the future already costed. That means more certainty and fewer financial surprises, even if you don't deploy all the features in the core product from day one.

As with scalability, understanding what additional effort and investment is required each time you add new features, is crucial. **Repeating costly development work at a later date because systems and data structures are incompatible could be a painful exercise.**

**The goal for your new retail management software should be an integrated end-to-end system for operating your business with complete visibility for how the business is performing across all your channels and locations.**



## 5 Main Principles

Features and functions are important but there are also some overarching principles which affect how systems work and integrate with other technologies, which you need to be aware of to avoid potential problems later on.

The system should provide seamless integration between each functional area, but also talk easily to third party systems, including for example your website or your warehouse management system, without the requirement for costly redevelopment work. Modern system architectures with Web Services to provide robust bi-directional real-time links between different systems, (essentially they talk the same computer language), will help to deliver this omni-channel retail experience.

The same functionality is what you would use to implement new features like 'click and collect' and to manage returns in store but originating from online sales.



## 6 A single view of customers

Seamless integration brings a raft of benefits including a single view of customers whether they choose to purchase in store or online, real-time stock availability and sales performance across all your channels. In addition being able to manage stock and replenishments from one central location makes it easier, faster and more accurate.

## 7 | Live Data – all in one place

Check too that all data will be maintained centrally in one place – this means you don't need to assemble information from different places when you run reports for example. It increases speed, cuts duplication and there's less chance of error.

**LIVE data is another important requirement.** It's unrealistic to have to wait overnight while your systems poll information [catch up] so you can report on sales or stock levels. Live real-time data will drive accurate faster decision making for merchandising, allocations and replenishments and improve the operation of your business.

**“Warehouse integration is extremely important for us – essential for driving and supporting our growing wholesale opportunities globally. Stock management here and the single 360 degree view of the business that Futura affords are crucial. Futura is effectively the master system which everything else feeds off.”**

**Paul Spinks, Managing Director, Lulu Guinness**



## 8 | Relationships

In addition to core features and functional areas, don't overlook the fact that choosing a retail management system means you are also buying a relationship with the software company that develops and supports it. How responsive do they seem? Is there a “can do” attitude and can you imagine them going the extra mile to get you up and running in time? Factoring this into your decision making is equally important.

Entry level and cloud based systems for example might look attractive, but in many scenarios you are simply buying software and online training, after which you are very much on your own. They may also have limited competency to support your business as you grow.

A Partner should take the time to understand your business processes to establish policy and procedures for your stores, if you like a blue print for how your business should operate. The system can then be designed and tuned accordingly, data structures that work across your business can be established and any custom development work agreed.

Initially this might cover data conversion or integration work with other systems, but later on you may have other system requirements. Check also that there is a development cycle and an upgrade path with new releases to keep the software up to date and in sync with wider retail sector developments.

**Neil Stockton, Finance Director at Morleys Group which operates eight independent department stores says:**

**“Standardising on Futura since 2008 has ensured a common technology platform across the group, bringing improved data accuracy, better merchandising control and a single consistent view of the business to improve decision making.”**

## 9 | Support

Finally don't forget Support. This may be the last thing on your mind when you are selecting a retail management system, **but it's important to think about this now to avoid costly surprises later.** If a till goes down during a busy period, or you are unable to fulfil web orders, what level of support would be acceptable and how long can you afford to wait? In this scenario an instant response from people who know and understand your business is likely to be far more valuable than an '0800' number to a call centre or an automated response.

Ensuring the right level of support could be crucial and your reputation may depend on it. Check what is offered before you make a final purchase decision and then **agree a package of support that fits your immediate needs and budget.**

**Oliver Bonas has relied on Futura since 2000. Chief Operating Officer Tim Hollidge, says:**

**"We are a dynamic company keen to grow and we depend on Futura's stability and strength to allow us to expand steadily.**

**As well as relying on its software, what's more important for me is the knowledge that when we pick up the phone there is always someone that will try and help us."**

## So, what next?

Hopefully this has given you some food for thought or at least some pointers to what you should look for when selecting a retail management system and help with developing your checklist.

In our next paper we discuss implementation including steps you can take to prepare your business and improve outcomes, covering data cleansing and migration, workflows and business practices, pilot installations, testing, communications and rollout.

Futura has been focused on delivering specialist technology solutions to fashion and lifestyle retail brands large and small, for over 30 years. Wherever you are on your journey if you need advice or direction we are here to help. **Call us on 0118 984 1925 or email [sales@futurauk.com](mailto:sales@futurauk.com)**

### Retail Management System Check List

- **Assess your needs – now and in 3 and 5 years**
- **Do features & capabilities map your business requirements?**
- **Will it scale, and scale cost effectively?**
- **Does it provide end-to-end operation for your business**
- **Includes LIVE real-time data?**
- **Easy integration with 3rd party solutions including warehouse and e-commerce systems**
- **A complete solution**
- **Strong relationships – a supplier you can work with**
- **Tailored support when and where you need it**
- **A clear development cycle and upgrade path**