Not Quite Right

ABOUT NQR

NQR Grocery Clearance Stores (Not Quite Right Pty Ltd - www.nqr.com.au), is a chain of discount supermarkets based in Victoria. NQR opened its first shop in 1987 in West Melbourne and now has eighteen stores throughout Melbourne, Geelong, Ballarat and country Victoria.

NQR acquires products with errors in packaging, short shelf life, discontinued lines, and more from traditional manufacturers and suppliers. Its goal is to offer good wholesome groceries, in some cases at half the recommended retail price as a service to the consumer.

THREE SYSTEMS THAT COULDN'T COMMUNICATE

NQR had three separate systems for point of sale, financials and warehouse management. As the business grew, not having these systems integrated was becoming a major problem.

In addition, NQR had ageing point of sale hardware and customer service speed was not as fast as the business would like, nor as fast as customers had come to expect from their interactions with other retailers.

NQR's supply chain was also presenting some unique challenges. NQR is a force-fed stock operation, receiving job lot orders rather than following the standard re-oder process of a supermarket. However, NQR often had no way of knowing if stores needed or could sell through these products on offer from suppliers as there was no visibility of stock holdings across all stores and warehouses.

Graeme Holman, Chief Executive Officer for NQR, said, "We needed a fully integrated system and we needed someone who could deliver - not just give us empty promises. Professional Advantage had the platform that was going to meet our needs."

INTEGRATED SYSTEM TO GIVE A RETAIL EDGE

To meet NQR's need for an integrated end to end system from point of sale through to head office financials, Professional Advantage recommended a solution based around Microsoft Business Solutions software and industry standard point of sale hardware.

The new system combines Microsoft Retail Management System 1.2 and Microsoft Dynamics GP (formerly Great Plains) Professional Advantage also included its own bi-directional integration between the two systems, to deliver an end to end solution, from point of sale through to balance sheet.

SNAP SHOT

Industry: Retail - Grocery clearance store

Scenario: A growing business, with no integrated systems and ageing hardware NQR were faced with major problems. Supply chain was also proving to be a unique challenge.

Solution: NQR implemented Microsoft Retail Management and Microsoft Dynamics GP (formerly Great Plains) to deliver an end to end solution from point of sale through to head office financials.

Benefits:
- Ability to view stock and sales across company
- Improved stock rotation in warehouse
- Expanded product file capabilities at registers
- Major cost savings

Software: Microsoft Retail Management System, Microsoft Dynamics GP (formerly Great Plains) and Professional Advantage own bi-directional integration software.

Implementation Partner: Professional Advantage

professional **advantage**

Not Quite Right

Professional Advantage also supplied NQR with new point of sale hardware, including EFTPOS terminals, POS terminals, desktop scanners and thermal printers.

BENEFITS

"Previously, stock control was a nightmare. It would take up to seven days to get a snapshot of stock levels at stores," said Holman.

The ability to view stock and sales across the company has meant that NQR and its stores can now order more according to need than by gut-feel. The buying department utilises the full suite of Microsoft products to combine the data from the integrated system to provide a pivotal one screen decision tool matrix. Store managers are also able to see stock available in other stores and are able to request a transfer, rather than raise a new order from the vendor. Date tracking capabilities in the warehouse has improved stock rotation.

NQR, like all supermarkets, has a high volume transaction model with stores doing in excess of 2500 transactions a day. The challenge the stores faced was to get customers through quickly. The first stores to use the new Professional Advantage solution found the new system to be much faster and easier to use. "We've found that we can now serve twice the number of customers in half the time," said Holman. "Customers have also been complimentary on the faster service and clear, readable sales dockets."

The upgraded POS system has expanded product file capabilities at the registers and eliminated low memory issues at store registers. This was quite an issue with store staff having to go to the store office while serving a customer to retrieve PLUs for items that were not scanning. It is estimated that this has been reduced by 98%.

NQR has also achieved financial savings from changing EFTPOS provider and using ADSL lines. Maintenance costs for the old hardware platform have also been eliminated. The reduced EFTPOS fees are expected to result in savings of $55,000 a year.

Further savings have come from better monitoring of waste, improving gross profit margins, and the introduction of zero staff discounts on low margin products. Better product management and waste controls have improved margins by around $70,000 per annum.

Overall it is estmated that NQR will achieve a saving of over $200,000 per annum as a result of this project.

THE FUTURE

As part of the project, NQR also wanted to set an example for the rest of the industry. "A lot of the retail systems available in the market just aren't suitable for businesses like ours. The solution delivered by Professional Advantage demonstrates that this is a workable system for other similar-sized retailers," explained Holman.

NQR's retail solution is equipped to deal with new store roll outs and possible future developments including date codes, RFID and self-checkouts. In the more immediate term, NQR is planning to expand its operations around the country and will add-on rostering, swipe cards and payroll to its existing system.

ABOUT PROFESSIONAL ADVANTAGE
(www.pa.com.au/microsoft)

Professional Advantage was established in 1989 and today employs over 200 people in Sydney, Melbourne, Brisbane, London and Fargo, USA. The company is the largest provider of business management solutions to midsize organisations in Australia, supporting over 800 clients nationally. Professional Advantage supplies financials, ERP, CRM, retail, portal and business intelligence solutions to the mid market. Their multi product offering is complemented by its development, systems integration, consulting, training, and support services.

FOR MORE INFORMATION

Contact Professional Advantage on:
Call: 1800 126 499
Email: microsoftinfo@pa.com.au