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Retail Systems - Health Check Gap Analysis

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Introduction

ACME Retail's aim is to provide beautiful homewares with a synergy between unspoiled raw materials and the understated clarity of contemporary design.

The ACME Retail brand was created in 1996, born of a quest to find and utilise sustainable natural materials and combine these with simple, elegant designs to form a homeware brand that is innovative, contemporary and timeless.

Project Objective:

The following points are deemed to be the key project objectives for ACME Retail:

- The objective is to assist ACME Retail to continue its growth by providing real-time accurate information to all aspects of the business by better utilising their investment in the CitiXsys iVend Retail suite of software solutions. Whereas the focus of this review is intended to be primarily on iVend, this document has been extended to include a review of SAP Business One (SBO) software, where specific functions and features are relevant to the underlying integration with iVend.

- The team at ACME Retail expressed a desire to have their systems reviewed for the purpose of ensuring that they were realising the maximum possible value from the solution. ACME Retail utilise iVend and SBO to manage finance, distribution, customer relationship management (CRM), reporting and retail sales. SBO's and CitiXsys' fully integrated solutions provide strengths in flexible functionality and reporting therefore the intention is to ensure that effective and efficient business decisions can be better made by utilising the software suite more fully. SBO and CitiXsys solutions provide a platform on which all departments should be able to operate more proficiently, sharing data and information and this should lessen considerably the current dependence on external spreadsheets and manual processes used to record and manipulate data. This review is seen to be vital to improving the day to day operations of the business, especially in the areas of reporting, CRM, systems administration and inventory management.

Software Overview:

The SBO and CitiXsys iVend applications are the primary systems used for reporting, finance, inventory, distribution and reporting. The intention is to extend the use of these programs to better utilise the in-built solutions to improve upon reporting and CRM. There is currently a heavy reliance on SBO queries and exportation to MS Excel for reporting, to which the team at ACME Retail have expressed a desire to explore what other options are available in the system to enhance and improve upon current laboursome manual processes.

Process overview

Major Requirements:

Summary:
The following major requirements were highlighted during discussions with key personnel:
- To see improvements in and maximise the use of existing systems functionality for finance, distribution, sales, CRM (including loyalty) and reporting.
- Improved reporting with greater flexibility and accuracy, including timely data extraction with improved system performance.
- To greatly reduce the current reliance on Excel spreadsheets in manual processes for business management.
- Improvements in stock and price management.
- Improved performance and security (Full auditing of transactional and master record changes by users is available.
- Loyalty program for customers
- Training

Objectives:

Administration:
- Improvements in testing environment management
- User security and login tracking improvements

Finance:
Improvements sort to replace manual processes and reliance on MS Excel – areas identified:
- Forecasting
- Extended financial reporting beyond standard Balance Sheet, P & L, Trial Balance – tailored reports
- Budgets
- Potential for project analysis
- Has no access to iVend

Inventory - Warehouse:
Improvements desired in the following areas:
- Pick and Pack
- Stock transfers – inter-store
- Aged stock management
- Returns management – quarantine of stock
- Replenishment to store
- Limited access to iVend – no reporting access

Sales:
The general perception for customer loyalty was that it is good; however it was acknowledged that that this view was derived primarily from verbal feedback through the store network and not through any utilisation of Sales reporting, Loyalty management or in depth CRM analysis utilising the tools available in either iVend or SBO beyond the heavy reliance on queries and other external 3rd party solutions (i.e. mailer/mail chimp, word of mouth, subscriptions, etc.). Desire to explore the options available included:
- Introducing a Loyalty program
- Utilising Sales Opportunities
- Utilising promotions and bonus buys
- Gaining access to improved sales reporting
- Exploring options for campaigns
- Turnover analysis
- Dashboard reporting
- Top/low performers
- Location trends
- Online store integration – Omni-channel experience/integration

Business Partner Catalogues

Consideration could be given to the utilisation of the Business Partner Catalogue, which enables the recording of the Supplier's item numbers against those being maintained by ACME Retail's stocked items. Both the Supplier item code and the ACME Retail internal item code could then be displayed on input screens and on printed documents where required - See figure 3.0 below.
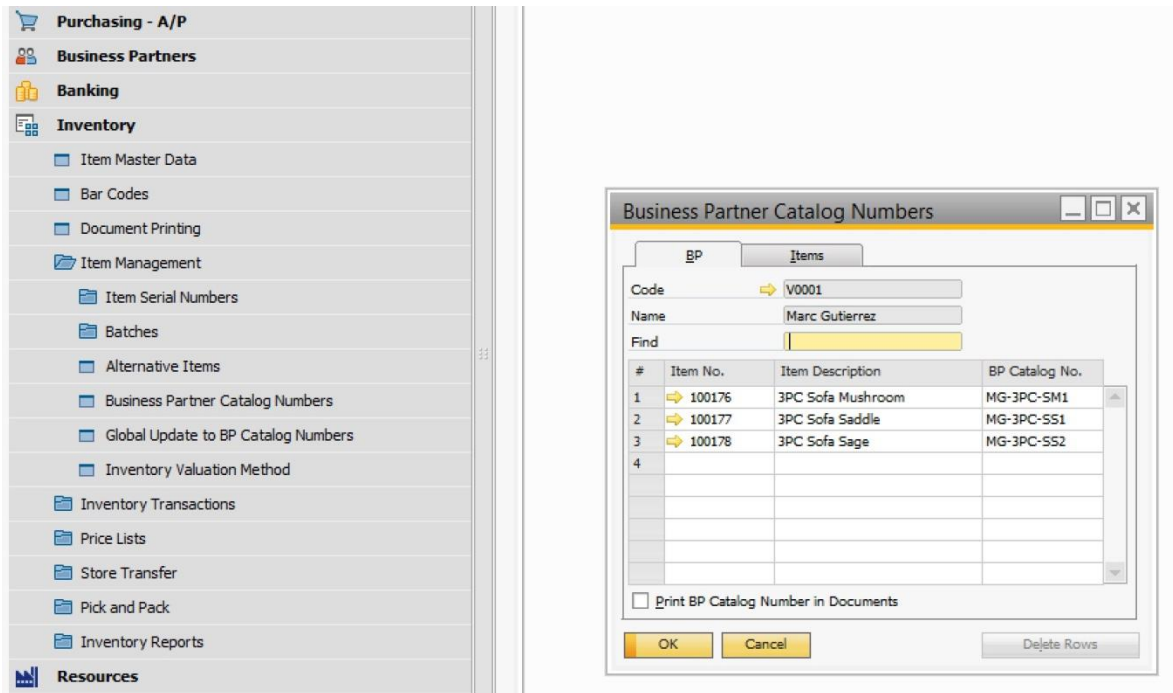

Fig. 3.0 Business Partner Catalogue

Batch Management – Aged Inventory Traceability:

An issue was raised around the age of some inventory items and to keeping track of those items that have been in stock for extended periods of time beyond what is desirable. ACME Retail may want to consider the use of batch tracking. The supplier's and/or manufacturer's batch number could be used for all inward goods receipts. SBO and iVend provides for full batch tracking of items and supports the recording of admission(creation)/expiry dates, locations, automatic issuing of stock based on age, price, level of inventory, etc. - See figures 4.1 and 4.2 below.

Other iVend Retail and SBO notes and observations

In Summary – features not being utilised:

- Alerts and notifications
    - Price changes
    - Promotions
    - Inventory transactions, e.g. Purchasing, receipts and stock transfers
- Heavy reliance on queries and access to existing suite of reports and dashboards is being limited to only a few key staff.
- CRM and customer loyalty programs are limited to verbal feedback and a catalogue mailing list program with little or no integration to the retail systems
- Forecasting is performed externally to the retail and ERP systems even though both iVend and SBO provide tools to perform forecasting based on historical sales
- Manager overrides is only being utilised to a minimal level – this is an area that could be looked at to improve controls and assist in areas of loss prevention – look at controls for:
    - Voids
    - Suspended sales, recalls and deletions
    - Returns
    - Refunds
    - Reprinting of receipts

In Summary – observations, warnings – configurations and settings to check:

- Retail Tender mappings on warehouses are incomplete – this is not recommended, i.e. if gift certificates are utilised then it is easy to overlook the general ledger mappings for posting allocations, which will lead to integration failures.
- iVend integration monitor and failure log is not configured for use in SBO – if enabled this would allow the monitoring and checking of records from the ERP and not just in the iVend Management Console.
- Account 2150-202-00 that has been linked to the Orange store Gift vouchers is not defined as account type "Sales" – if the Gift certificate functionality is used then this will lead to an integration failure. Note: it is important to ensure that all retail tender type mappings for gift certificates are mapped to sales type accounts.
- There are a large number of super-users in SBO (10+) and manager status security allocations in iVend – Not recommended – We strongly advise that this should be checked and adjusted. Full access can be given to users without making them super-users and/or administration users – there is a reasonably high security risk that requires attention.
- SBO online Help is not enabled
- SBO mailer is not enabled
- SBO workflow is not in use
- **Financial Notes:**
    - SBO Budgets is not being utilised
    - Cost accounting and projects analysis is not being utilised in SBO – Both Projects and Cost accounting analysis can be integrated with iVend
    - Financial Report Templates are not being utilised in SBO – The finance team were not aware the feature existed and rely on exporting monthly financials to Excel to meet extended reporting requirements when templates could be easily designed, which could save hours of work each month.
    - The SBO Fixed Assets module is not being utilised – SBO provides mechanisms for dual depreciation reporting and meets most of the American market requirements for book and tax depreciation, low pool asset management, multiple asset classes, multiple depreciation methods, historical and forecast reporting with automated integrated postings to the general ledger.
    - The count type on all payment types is set to "Detailed" – This is only really necessary for the payment type "Cash" – Unless you are counting vouchers and performing some form of reconciliation then the count type should be set to "Summary" for all payment types other than cash.
    - No surcharges or discounts are being applied to any payment types – iVend now supports the levying of a surcharge on a particular payment type and might be desirable where certain credit
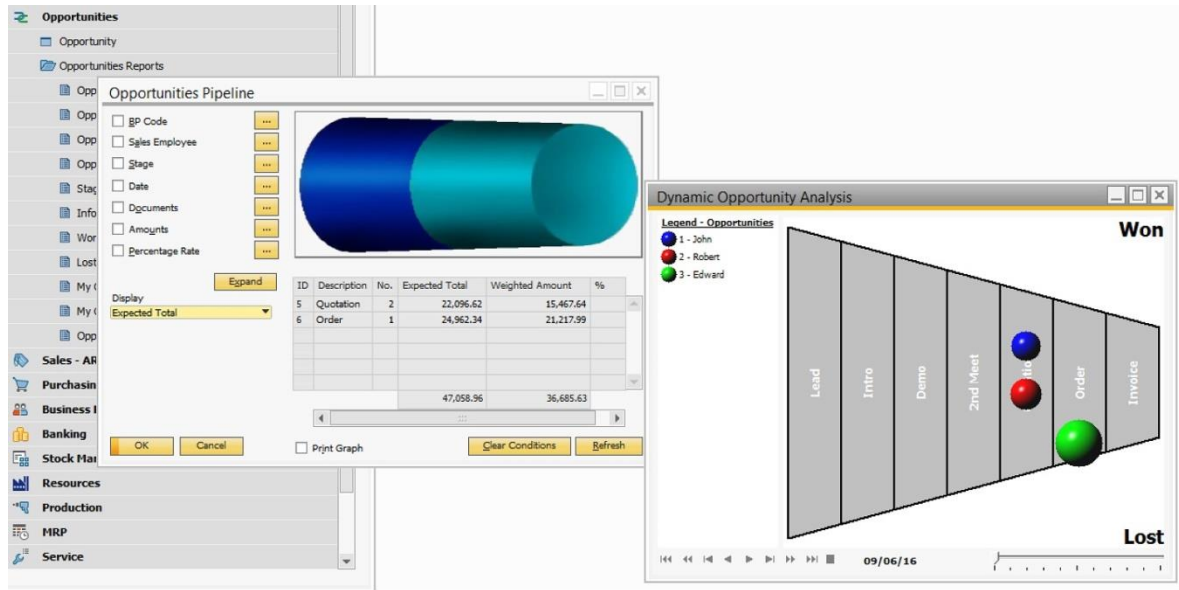
Fig. 10.0 Opportunities Pipeline report with Dynamic Analysis

Worthy of note…

- If desired, sales leads can be imported from legacy systems into SBO utilising the SBO Data Transfer Workbench (DTW).

Pack Inclusions and Health Check Limitations Statement

What you will find included with this documentation pack:

- CitiXsys iVend Retail health check gap analysis
- CitiXsys key issues summary diagnostic for your retail business
- iVend Loyalty brochure
- iVend Passes brochure
- iVend Mobile POS brochure
- iVend 6.5 Update 1 Release Notes

What's new in iVend 6.5 Update 2

iVend Retail is an integrated retail management solution with inbuilt Omni-channel capabilities. Designed to meet the needs of Omni-channel shopper's iVend Retail 6.5 Update 2 will be released with comprehensive features and enhancements, which include:

- POS Interface Designer
- Receipt Designer
- Offline Terminal POS for iVend Cloud
- iVend Cloud Control Centre
- Product Dashboard
- Customer Dashboard
- Effective Date for Store Price List
- Stock Transfer Request Notification - Accept and Reject

- Stock Transfer Cost for Multi Subsidiary Stock Transfer
- Ability to view store transactions from Enterprise
- End of Day from POS
- Globalization of Dashboard Designer

Limitations Statement

Due to time constraints, this review was limited to one site visit at the head office in New York. Only the Enterprise and one store's settings were checked and assessed – these were performed via remote connection.

Interviews with key staff were limited to 30-60 minute sessions, therefore an in depth analysis of systems could not be performed beyond an overview to gain a general perspective of the business functions in line with the use of the CitiXsys iVend Retail and SBO software suites. The focus of the review for SBO was generally limited to the functionality that is relevant to the integration with iVend.

Consulting services can be provided to perform a more detailed and in depth onsite analysis of store systems and processes, together with back office operations for administration, inventory, warehousing, distribution, finance, service and CRM if desired.