

**ARE YOU GETTING THE MOST VALUE
FROM YOUR COMPUTER SYSTEM?**

by Linda Carter

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Many times, when visiting retailers for the first time, we find that they are not making full use of their computer system. It is common to find that a retailer has a complete integrated package but is using only a small portion of it. For example, they may be using inventory and accounts receivable but maintaining their accounts payable and payroll manually, and paying their local accountant to prepare their monthly financial statements. We have found, in the majority of cases we have seen, that the retailer can save money by fully computerizing their record keeping and bringing their monthly accounting in-house. Depending on their office staff this may mean providing additional training for their staff or hiring more qualified staff to run the system. In most instances we are able to work with the client's office staff to give them the additional training they need to fully utilize the computer system.

We also find that many times retailers are not getting the full value of the information they have available from their computer system. To get the full value from your computer hardware and software investment you must know what to do with the management information it provides. It is not enough to know how much you sold last month in each merchandise classification. You also need to know how profitable each classification is; whether a classification should be expanded; if new resources should be found; or if the class should, perhaps, be eliminated. In order to do this you must take the time to become familiar with the reports generated by the system and learn how to use them to your advantage.

It is all too common for us to find, when visiting a retailer, that record keeping is one or two months behind and that no effort is being made to ensure the accuracy of the data entered into the system. The information generated by your computer is of little or no value if it is chronically late and/or inaccurate. As an example, without timely information, management can miss additional profit-making opportunities to make special buys of needed merchandise or to refuse late shipments of unneeded merchandise. Also, if management or the buying staff is making decisions based on inaccurate information it can be worse than not having the information available at all. This is another area where we work with our clients to give them the guidance and training needed to ensure the accuracy of computer-generated reports.

Since buying is such an important function in the retail store, it is of the utmost importance that buyers know how to use the information available from the computer system to make informed buying decisions. This can require one on one training and on-going monitoring, two of the services we provide for our clients.

As a retailer, you have many demands on your time. It is easy to get into the habit of setting aside the computer-generated reports until you have more "time" to look at them. Many times, another month has passed and you still have not looked at them. The management information available to you from your computer system can be a valuable asset to help you run your business more profitably. However, unless the reports are accurate, timely, reviewed as soon as they are available, and acted upon as soon as possible, they are of no use to you at all. We work with our clients to help them in this area: by setting up guidelines as to when reports should be available, which reports management should be reviewing, what data should be reviewed on each report, how often the reports should be reviewed, and what to do if problems or potential problems are discovered.

With today's business climate you must get full use of your computer system. You cannot afford to get less than 100%. If you are not fully utilizing your system now, take steps to do so as soon as possible.

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