



**Robert Marcus, CEO, RunIt Systems, explains how a new approach to retail software is enabling cost-effective smart retailing.**

One of the most vexing aspects of today's IT-dependent retail environment is the challenge of financing, installing and maintaining retail software. A significant proportion of new installations fail to achieve their initial goals and, even when successfully deployed, can often cost far more to maintain than expected.

In addition, depending on the number of locations and workstations, the deployment of the software can take much longer than originally projected and devour too much time and effort just to keep them running. Adding to the retailer's exasperations are also upgrades that can, and usually do, require additional investments in new servers, back office and POS workstations, and other IT infrastructure improvements.

Retailers trying to outpace escalating competition can no longer assume the expected financial risks nor the anticipated protracted software installations. Neither can they afford the ongoing infrastructure and staff costs of simply maintaining their existing retail systems.

As a result of these vexing issues, the retail industry is now ready for a new approach to retail software – Retail Software-as-a-Service (RSaaS) – which was devised to create a win-win approach for retail organizations. An RSaaS real-time solution gives independent retailers the key strategic advantage of true rapid system scalability allowing for quick, smooth and easy growth.

Companies such as RunIt Systems are pioneering this new approach by allowing retailers to harness the power and speed of the internet to connect all locations and branches in real time. Retailers benefit from fast, high performance access, while administrators maintain control over the entire retail system. With up-to-the-second access to customer and inventory information across the enterprise, sales associates are better able to service the customers and identify both cross-sell and up-sell opportunities.

RSaaS real time offers retailers a true thin client solution, specifically designed to be accessible via the internet, which can significantly decrease the resources and the considerable initial capital investment needed to deploy a retail system. The retail software application is hosted, reducing the technical knowledge and start-up costs incurred by the retailer, and with the proliferation of low-cost DSL communication, connecting new workstations is simple and quick. Whether a retailer has four stores or 100, this real-time solution can scale to meet the needs of both.

Real-time financial strategies include minimizing retailer's upfront capital costs, by converting them into a predictable 'pay as you go' monthly subscription. This allows retailers to increase their cashflow while also providing them more investment capital for merchandise and advertising. The retailer is, in effect, leveraging the power of a top end retail system, but spending only a fraction of the amount needed to go it alone.

Retailers are further attracted to this real time approach because their monthly subscription includes the complete rights to software use, automatic software updates, maintenance and technical support. This bottom line advantage means that retailers can focus on their business while the RSaaS company manages their system.

The real time system also saves retailers a significant amount of money on hardware and infrastructure investments by hosting and managing the data on their servers at a secure data center. This thereby eliminates the costs

associated with an expensive onsite server and its administration overheads. By utilizing state-of the art RSaaS data centers, such as that from RunIt Systems, retailers can harness economies of their business and take advantage of the data center's specialized infrastructure for server back-ups, security and power supply redundancy. Real-time systems can run on low priced PCs with access to the internet and a browser. Retailers can use their existing barcode scanners, credit card swipers and thermal receipt printers by simply reconfiguring them to work with real time.

## DEPARTMENTS CAN BENEFIT FROM REAL-TIME SOLUTIONS IN A NUMBER OF WAYS:

- Smarter purchasing – real-time tracking of inventory prevents over- or under-buying.
- Reduce inventory costs – real-time access to on-hand, in-transit and on-order status as well as automated distribution allows retailers to maintain slim inventory margins and accurately forecast needs.
- Increase store sales efficiency – real time improves the replenishment process, allowing merchandise to be delivered faster and more accurately – which means stores are always in stock.
- Improve customer service – real-time updates of customer records across the entire chain improves customer service with exceptional knowledge of purchase history. This allows sales associates to anticipate their customers' needs with familiarization of preferred brands, styles, colors and sizes, as well as information on store credit, gift cards and account activity.
- Better accounting control – real time improves retailers accounting control with instant knowledge, which customer accounts are past due and how much is owed and what bills need to be paid – providing tighter budget oversight.

Real time also represents an opportunity for retailers to eliminate recurring expensive technological capital investments and other software and hardware lifecycle costs. Each new release and version will continue to work with the existing hardware, thus eliminating the cost and inconvenience of constantly upgrading infrastructure. Our clients, for example, are always looking to save dollars on technology with shelf-life; no technology director enjoys showing that section of the warehouse dedicated to their outdated hardware investments.

Retail Software as a Service represents an opportunity for retailers to not only keep pace in a fast paced, highly competitive environment, but also to improve their profitability and productivity, and become much more cost-efficient. For many of our clients, the greatest advantages of real time stem from its capability to provide the decision-makers in a retail organization with the information they require to run a smarter business – a business that is cost-efficient and profitable because decisions are made based on real-time information.

Having real-time intelligence of each store's stock on hand, on order, receiving, transfers, sales and customer status, keeps retailers better informed, which in turn helps them to make the best business decisions. Real-time access between locations allows management and staff to respond more quickly to refilling store stock levels, tracking slow and fast selling merchandise and satisfying customer requests. ■