



## Overview

**Country or Region:** United States

**Industry:** Retail

### Customer Profile

Georgia Nut Company of Skokie, Illinois, offers 1,500 stock keeping units (SKUs) of fruit, nuts, and chocolate products through wholesale, Web, mail order, and two stores in suburban Chicago.

### Business Situation

As Georgia Nut grew, vague or inaccurate results from old software lengthened tasks and slowed decisions. Sales and inventory information was “iffy” and there were no historical records.

### Solution

Microsoft® Business Solutions Retail Management System gives managers instant and accurate reports, precise inventory, and flexible operations at tills.

### Benefits

- Inventory time cut by 75 percent
- On-hand inventory reduced 50 percent
- More floor space for sales and events
- Associates use any till, yet security stays tight
- Sales histories indicate future trends
- Smooth integration with Givex loyalty program

## Georgia Nut Company Crunches Inventory Levels and Slices Task Times

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Jodi Hutch, Manager of Special Markets, Georgia Nut Company

Jodi Hutch, Manager of Special Markets at Georgia Nut Company, saw her retail management tools falling behind. “Old software lengthened everyone’s tasks, slowed growth, didn’t keep precise inventory and, most of all, did nothing to help us serve customers.”

With Keith Straka and Jillian Galas of K Systems consultancy, Hutch culled a long list of retail management solutions. “QuickSell did everything we needed,” she says. “But when Microsoft bought and upgraded it to Microsoft® Business Solutions Retail Management, our work got smoother and faster.”

Today, instant and obedient reporting provides Hutch with the details of past seasons’ sales so she can plan purchasing and check prices on raw materials. “Our point-of-sale is very fast, and inventory takes a quarter of the previous time,” she says. “Microsoft Retail Management System solved all of our problems.”

“We foresaw pivotal, long-term ramifications ...from a right or wrong choice in retail systems. So we did a thorough, organized, point-by-point comparison of retail solutions.”

Keith Straka, Owner, K Systems

## Situation

Founded in 1945, Georgia Nut Company continues to expand its wholesale and retail arms. Chief Operating Officer David Drehobl, who once helped his grandmother make candy, still meets with customers, helps select vendors, and enjoys making candy in the kitchen. Retail operations sell more than 1,500 stock keeping units (SKUs) and employ 20 in two stores in Skokie and Glenview, Illinois, with new stores planned for Atlanta, Georgia, and Milwaukee, Wisconsin. A solid reputation for high-quality products and customer-first service has propelled growth. Products are sold prepackaged, in bins, as custom gift baskets, and as fundraising tools for parent/teacher associations (PTAs) and churches.

Exclusive of wholesale operations, Jodi Hutch, Manager of Special Markets at Georgia Nut, is responsible for an expanding U.S.\$2,000,000 in annual revenues from consumer-direct, retail, Web site, catalog and telephone sales. “Our Glenview store even has a party room for classes, showers, and birthdays,” says Hutch. Georgia Nut products have been featured in Spiegel’s, Bloomingdale’s and other catalogs, as well as on the Home Shopping Network.

### Old System Not Meeting Needs

As the company grew, however, its retail system couldn’t keep pace. “There was no way to gauge sales or marketing effectiveness of all our different ideas, sales, and strategies,” Hutch says. “It did a poor job of recording transactions and tracking inventory. Screens were hard-coded and inflexible, and their wording couldn’t be changed as business changed. When it ran out of item numbers, new products were entered as ‘Miscellaneous,’ so inventories were vague. That muddied our purchasing decisions, and led to over- and under-stocking.”

Record keeping was a nightmare. “We were getting increased pressure from business partners, customers, and tax agencies to document that our reports were accurate,” Hutch says. “We were astonished at how much work that took. During physical inventory, we discovered that old numbers had not been deleted before entering new ones. So we had double inventory and had wasted dozens of hours of work. Then, because our old system hadn’t subtracted usage, we had to count it all manually!”

Hutch’s problems were exacerbated by the difficulties with tracking food products’ expiration dates. “Everything was really done visually, not even writing things down,” she says. “Because product turnover was sporadic, this led to customer satisfaction issues because there was no way to track expiration. As expansion plans solidified, it became obvious we needed something much tighter and more reliable.”

## Solution

Because her experience was retail, more than IT, Hutch went to Keith Straka, owner of K Systems, an IT consulting company based in Chicago, Illinois, to help her find the right retail management system for her needs.

Straka says, “We foresaw pivotal, long-term ramifications to this customer from a right or wrong choice in retail systems. So we did a thorough, organized, point-by-point comparison of retail solutions.”

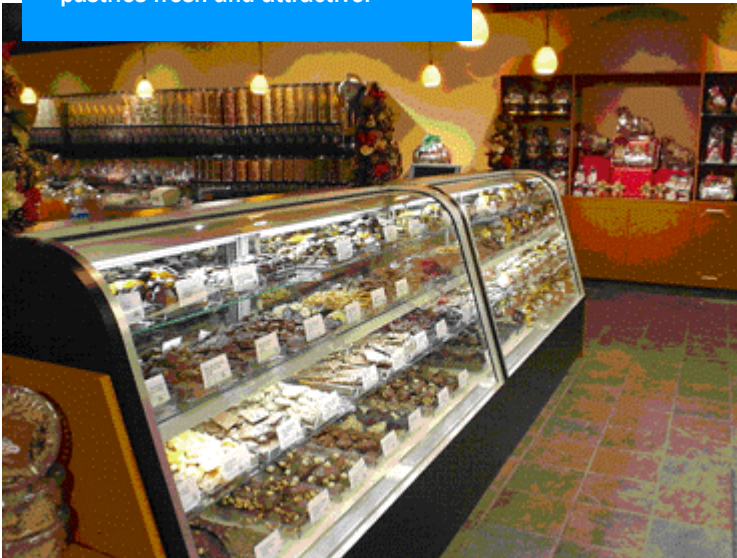
### Culling the Crop

“K Systems culled retail system choices down to a short list,” says Hutch, “and we quizzed the representatives from each one. Besides inventory, we wanted to know which one met our customers’ needs. We needed to satisfy financial people in and outside our company. And since nearly 300 of our products are weighed items, the system had to include and

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Jodi Hutch, Manager of Special Markets,  
Georgia Nut Company

A neat and well stocked display case in the Glenview, Illinois, store keeps chocolates and other pastries fresh and attractive.



print nutritional and kosher certification on individual by-weight labels.”

Straka elaborates, “QuickSell, Cam Commerce, and QuickBooks Point-of-Sale (POS) were on the short list. QuickBooks POS wasn’t as full-featured as we needed, and it wouldn’t support weighed items. Plus, we knew from our QuickBooks POS clients that updates always brought issues and problems.

“Cam Commerce cost nearly \$20,000 for just the software,” says Straka. “We all saw it was hard to learn and slow to deliver an ROI [return on investment]. When we analyzed whether Cam Commerce’s higher cost would give us anything over QuickSell, we recommended QuickSell.” QuickSell was the predecessor product to Microsoft® Business Solutions Retail Management System.

#### **Instant Gratification**

QuickSell was installed in November 2002 in the Glenview store, and Hutch was immediately happy with the choice. “It’s really been worth it for a dozen reasons. Since we

do our own manufacturing and retail, when we sell two pounds of [candy] turtles, we use its Kits feature to correctly decrement the inventory of some ten components and a box. Its reporting power really opened our eyes to information that an old system just can’t. Our Microsoft® Certified Partner, Merchants Solutions, was very helpful in training, so we knew all its features.”

In summer 2002, Microsoft acquired QuickSell and upgraded it to Microsoft Business Solutions Retail Management System. “We were thrilled when Microsoft bought QuickSell,” Hutch says, “so we upgraded the Skokie store to the Microsoft product in March 2003, then Glenview in November. Since the look and feel were nearly identical, there were no conversion issues, but we did notice the reports got better, and QuickSell’s few bugs went away.”

A key factor in seamless integration of Microsoft Retail Management System was its compatibility with previously purchased items. Straka says, “It was easy to configure with a wide variety of opportunistically purchased peripherals, including Ishida scales. The cashier types in the PLU for the item, and Microsoft Retail Management System prints out the tag for the weight of that product.”

“We found it so easy to configure to our existing business process, and to teach to staff,” says Hutch, “that even during one period of high turnover, we got no complaints about its being tough to learn.”

#### **Benefits**

“Microsoft Retail Management System puts everything I need at my fingertips,” Hutch says. “It’s streamlined, it’s user friendly, and our people find it incredibly easy to use. After all the manual steps we were used to, buy-in on this was fast. It’s a logical tool, and our team instantly saw the benefits. Initially, I was

afraid people wouldn't use the procedures, or that the system wouldn't cover the bases and would fall into disuse. Boy, was I wrong!"

### **Tight Inventory Frees up Resources**

"This helped us cut on-hand inventory by 50 percent," she says, "which gave us another 1,000 square feet in the Skokie store that can now be used for sales and production. At Glenview, a similar reduction is occurring."

With tight knowledge of stock levels, Hutch can easily balance inventory between stores. Time for counting inventory has also been saved. "We shaved inventory audit time from two days to one-half a day—that's 25 percent the previous hours. So now we can do counts more, often," Hutch says. "And Microsoft Retail Management System also uncovered and pinpointed a shrinkage problem. We had never suspected it, but we're now retaining what was once lost cash."

### **Custom Reporting Reveals Vital Data**

Hutch extensively uses customizable reporting to watch dozens of levels, trends, and relationships under her purview. "I run reports for daily and weekly sales levels to predict what's selling, and what raw materials we'll need when," she says. "I dig into historical information. What were last year's sales in the five days before Valentine's Day? That lets me plan for this year."

Easy purchasing decisions are a natural consequence. "I know what components to buy, what prices to check early," Hutch says. "Where pricing used to be intuitive, now I know what products to advertise and for how much because I know what categories sell best. It used to be embarrassing because it was faster to call a vendor to find out what they had been charging us than to find our own records. Now I know what we paid, and who's trying to raise prices."

### **Customer Service Soars**

The POS was the first and most obvious change. Hutch says, "Slow lines at registers used to be a big complaint. Transaction speed is much faster now using the inventory search feature, which we need frequently. Returns are fast since you can look up transactions and see the entire ticket. We can even show a customer what they paid two years ago."

Another reason for the new speed at POS is the flexibility of Microsoft Retail Management System to Georgia Nut's chosen ways of dealing with customers. "Our sales associates don't have their own registers or tills," Hutch says. "Each has a personal ID card so they can interact with customers anywhere in the store, then log onto the closest register for the sale. They can even finish transactions on hold for each other. Customers get better service and we have an unmistakable audit trail."

Customer gift certificate and reward programs raise loyalty and revenues. "It used to be very tricky to trace paper gift certificates," Hutch says, "but with the Givex program now integrated into our POS interface, we can make cards for any amount—and it's forever in the database. Better customers get better rewards and love to tell friends." Givex specializes in loyalty programs and transaction processing.

### **Shorter Tasks in the Back Office**

Purchasing and receiving features sped work in the back office. "Now that I have immediate visibility on vendor information, their history and who's lowest cost for what, buying decisions are faster to make and easier to implement," Hutch says. "I compare vendor prices head-to-head, then use Microsoft Retail Management System to expedite the ordering paperwork."

Formerly complex invoicing has been vastly simplified with the Microsoft Retail

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Management System Work Order feature. “This product natively includes service and products,” says Hutch. “With QuickBooks POS, you’d have to ask it to decide. In the Glenview party room, we accept deposits and payments, track census and product usage at the party, then calculate the balance owing.”

With new business information, executive decisions are easier. “We can do sales and promotions more wisely,” Hutch says.

#### **The Road Ahead**

“Microsoft Retail Management System has done everything we need it to,” says Hutch. “Each time we give it a new business demand, we find the system can do it.”

Straka agrees, “Because conversion difficulties are usually caused by the ineptitude of an old system, many retailers keep old systems too long. But Georgia Nut ‘bit the bullet’ and made the smart investment. As they learn more, they need us as consultants less and less, which saves them even more money.”

For retailers with more than one location, Hutch recommends installing Microsoft Retail Management System one store at a time. “We were smart to ramp up like we did,” she says. “Now we can use these successes to speed and encourage IT updates throughout the manufacturing and distribution sides of the company.”

Above all, she advises choosing partners wisely. “All three parties—the software developers, its resellers, and the end users—need to share the same outlook on business. Even within your own company, accounting wants one thing, purchasing needs another, and advertising wants something else. Microsoft Retail Management System accommodates each department, gives them the working methods they prefer, and reports their data the way they want it. This system is crackerjack!”

Headquarters of Georgia Nut Co. in Skokie, Illinois, manages retail, wholesale, manufacturing, and ongoing expansion.



## For More Information

For more information about Microsoft products and services, call the Microsoft Sales Information Center at (800) 426-9400. In Canada, call the Microsoft Canada Information Centre at (877) 568-2495. Customers who are deaf or hard-of-hearing can reach Microsoft text telephone (TTY/TDD) services at (800) 892-5234 in the United States or (905) 568-9641 in Canada. Outside the 50 United States and Canada, please contact your local Microsoft subsidiary. To access information using the World Wide Web, go to [www.microsoft.com](http://www.microsoft.com)

For more information about Merchants Solutions products and services, call (800) 486-3214 or visit the Web site at [www.merchants-solutions.com](http://www.merchants-solutions.com)

For more information about Georgia Nut Company products and services, call (847) 324-3600 or visit the Web site at [www.georgianut.com](http://www.georgianut.com)

## Microsoft Business Solutions Retail Management System

Microsoft Business Solutions Retail Management System offers a complete store automation solution for small and medium-sized retailers, streamlining point-of-sale (POS), customer service, and store inventory management, and providing real-time access to key business metrics. Microsoft Retail Management System is a comprehensive solution for single-store and multi-store retailers that empowers independent proprietors, store managers, and cashiers through affordable and easy-to-use automation. Microsoft Retail Management System has the flexibility and scalability to grow with a retailer's business. It works with the Microsoft Office System, Microsoft Windows Small Business Server, and leading financial applications to provide end-to-end support from the cash register to the back office.

For more information about Microsoft Retail Management System, go to: [www.microsoft.com/pos](http://www.microsoft.com/pos)

### Software and Services

- Products
  - Microsoft Windows® XP Professional
  - Intuit QuickBooks Enterprise
- Solutions
  - Microsoft Business Solutions Retail Management System

### Hardware

- Dell PowerEdge servers
- Dell PowerVault 120T backups
- Star Micronics printers
- Unitech barcode scanners
- Ishida scales

### Partner

- Merchants Solutions

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