



MOVE FROM
**POINT OF SALE TO
POINT OF SERVICE**
THROUGH FULL ERP INTEGRATION





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By pivoting away from traditional point of sale systems and over to a holistic ERP solution, retailers can create high impact experiences that keep customers coming back for more—both offline and online.

Borrowing a quote from one of America's greatest authors, Mark Twain, the reports of physical retail's death has been exaggerated. A quick trip to one of America's malls or department stores reveals a public space where people still enjoy an interactive, hands-on shopping experience that's yet to be emulated online.

After all, where else can you shop for an outfit at Nordstrom, get in on the latest fast-fashion trend at H&M, enjoy a chocolate-dipped strawberry at

Godiva, and catch a whiff of Lush's latest scents all under the same roof? Despite the ease and speed of online shopping, a lot of customers still like these experiences.

What customers don't enjoy is standing in lengthy checkout lines, finding empty shelves where their favorite products should be or running around to multiple stores to find what they're looking for. These frustrations send shoppers online in droves, but they can all be solved by blending a customer-centric approach with an all-in-one business management platform.

In this white paper, we examine the current state of brick and mortar retail, explain the limitations of traditional point of sale (POS) systems and show how a unified, cloud-based ERP can help retailers across all categories meet the ever-changing demands of the modern customer.

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Chapter 1

NEWSFLASH: BORING RETAIL IS DEAD

The good news is that brick and mortar retail is not dead, but boring retail has definitely seen its day. The question is, how can retailers differentiate themselves and create an impactful, engaging “experience per square foot” environment where people want to come to shop, buy and interact? It starts by exploiting a gap in the online retail world, where sellers offer homogenous experiences across all product lines—be it apparel, headphones or an on-demand movie.

Brick and mortar sellers, on the other hand, are in the unique position to be able to differentiate themselves. In a world where expectations of instant personalization and total relevance continue to climb, the retailers that go beyond simply “knowing” the consumer—and that reaches out and serves that buyer in the physical context that he or she is in at the moment—will earn the highest rewards.

The most successful retailers are downright obsessive about the customer experience. In

fact, most of them are focused on four main goals, all of which revolve around the customer, according to [Forrester](#), which in a recent survey found that most retailers want to:

- **Grow revenue.** Retailers are focusing marketing efforts on acquiring and retaining customers and launching new products to drive revenue.
- **Reduce costs.** A competing goal is to reduce costs by lowering IT spending but improving the supply chain and retaining employees.
- **Improve the customer experience.** Most retailers say they will be working on both the online and in-store shopping experiences and increasing the frequency of engagement with customers.
- **Improve their products and features.** Retailers will simultaneously be making products easier to use, launch products faster and increase customer input when designing products.

For these companies, everything from the front door to the counter to the dressing room—and the products that sit between these goalposts—revolves around the customer. Apple was among the first retailers to use this obsession to build out brick and mortar stores where customers can get a live product demo, talk to a tech-savvy sales associate, get help at the Genius bar or just check their email.

Other retailers have followed suit. Sephora offers on-the-spot beauty makeovers. Lush encourages customers to dip their hands into

fizzy water that smells good. Nike's flagship store in New York features an indoor basketball court, treadmills that simulate runs in different places and mannequins with scannable codes for instant-checkout clothing purchases.

Not to be outdone, the nation's grocers and department stores are also adopting a customer-obsessive stance, with associates of Walmart and Target filling up shopping carts, bagging goods and then loading them up into waiting customers' trunks—all without those customers ever setting foot in the store.



Chapter 2

USING ERP TO THINK “BIG” AND ACT “SMALL”

Effectively empowering shoppers means being able to leverage new channels, technologies and platforms that help retailers be in the right place at the right time. The problem is that many of these companies rely solely on point of sale (POS) systems to make that happen.

A physical electronic device that retailers use to capture data at the transaction source (i.e., the cash register), a POS tracks payments, orders, invoices, discounts and other retail-centric data. What POS doesn't do is allow retailers to think big in an era where doing so can mean the difference between staying solvent or winding up in the Blockbuster/Borders/Circuit City bone pile.

Other POS-related pain points include:

- Existing POS systems can be old and difficult to change (taking weeks or even months to modify).
- System doesn't let retailers offer options like “buy online, pick up in store”.
- Lacks accurate visibility into inventory across all stores and warehouses.

- No flexible fulfillment options (i.e. pick up at another store, purchase in store but have the item shipped, etc.).
- Lack of visibility into customer purchase/preference history.
- An inconsistent ecommerce and in-store shopping experience.
- Inability to manage pricing and promotions.
- Data issues resulting from disparate systems/batch processes/manual processes.
- Can't effectively report on store/sales performance.

Outdated POS point solutions also come up short when operational agility and responsiveness to consumer trends become must-haves. Where this may have been easy to overlook just 10-15 years ago, when ecommerce businesses had yet to start carving out their part of the retail pie, today's retailers can no longer ignore the need for a holistic business management platform that incorporates inventory management, order entry, order processing, warehouse management, customer relationship management, sales, financials and the myriad other functions crucial to running a successful retail entity.

WHAT ARE YOUR PAIN POINTS?

A modern POS system with names like Shopify, Clover and Square do serve a purpose as order capture devices. These POS systems, however, can't deliver a complete picture of the business or a truly connected and unified omnichannel experience for customers. A retailer that's looking for a true omnichannel customer experience or utilization of inventory across the organization needs a unified platform (not a simple order capture device) to support that functionality.

Here are some key questions all retailers should be asking themselves:

- Are we dealing with major pain points with our current POS system?
- Are we doing a good job of meeting modern customer expectations?
- Can we stay ahead of our competition?
- Are we offering a seamless omnichannel experience?

- Are our systems unified across all channels? (Online, mobile, in-store, kiosks, pop-up stores, etc.)
- Are we competing effectively with large ecommerce retailers and online marketplaces?
- Do we have good/accurate inventory visibility?
- Are we using real-time analytics to gain visibility into performance, and then using that data for good decision-making?

If you answered “no” to one or more of these questions, it's time to rethink your technology strategy and pivot toward an ERP that helps you implement strategic solutions and create a connected, dynamic and “web-like” in-store experience.

NetSuite delivers the modern holistic approach to retail that keeps organizations agile and out in front of what's coming around the next corner.

Chapter 4

IT'S TIME TO THINK FIVE YEARS AHEAD

When implementing an in-store solution, retailers need to think five years ahead. Where a POS solution might help them solve some of their current issues, for instance, it could also set them up for more challenges in the future—and especially if it means not being able to stay ahead of changing technology and customer demands. No longer an island, POS must be part of the overall, connected experience, both for customers and for employees.

NetSuite connects every interaction, with every customer, across all channels. For example, if a customer is standing in a store and wants to buy a hat that is out of stock in that store, a unified ERP can quickly track that product down and get it shipped to the customer quickly. This matching of supply with demand is a critical factor in an era where ecommerce giants are delivering orders to customers' front doors in a day or two.

By centering on the customer experience, delivering seamless brand interactions across all channels, and implementing modern, accurate and efficient back-office operations (i.e., inventory, order management, financials, etc.), brick and mortar retailers can break

the POS mold and start reducing stockouts, increasing sales and improving productivity levels. Other key gains include the ability to:

- Deliver a seamless, modern in-store experience.
- Provide real-time insights and analytics in the back-office.
- Eliminate problems that arise from managing multiple disparate systems (i.e., manual processes, batch processing, integration/synchronization issues, limitations of legacy systems).
- Improve inventory accuracy and visibility across all locations and channels.
- Offer customers endless aisle capabilities (“buy anywhere/fulfill from anywhere”).
- Give employees real-time visibility into business operations and performance anywhere/anytime with secure mobile access.
- Improve top-line and bottom-line performance with a unified operational system that manages the entire business.

WHAT ARE YOU WAITING FOR?

With technology evolving just as quickly as consumer demands right now, only the retailers that are agile and nimble will succeed in this volatile environment. Consumers are shopping at the speed of the internet, and retailers can't afford to wait weeks or months to react to those shifts. If a retailer patches a problem with its in-store POS system, for example, but then ignores its back-end systems, the job of managing disparate systems will literally be never-ending.

In the meantime, customers will look elsewhere for their desired retail experience.

Using NetSuite, retailers can prepare their businesses for growth and run their end-to-end operations on a seamless, unified, cloud platform.

This not only supports the fully-integrated experience that all customers want, but it also enables business growth at a time when creating an impactful, engaging "experience per square foot" environment is crucial.

Contact NetSuite today to learn how our leading cloud-based ERP solution can help with not just your POS in-store experience, but with every touchpoint and interaction with your customers, including ecommerce, mobile, B2C/B2B, CRM, customer support, automated marketing, order management, inventory management and financials.

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