Implementation of Point Of Sale (POS) system

The Situation

InfoMax has been contacted by a retail gift shop Smith Ltd. in a major shopping mall in the Toronto area, with thousands of inventory item and hundreds of transaction everyday. This gift shop is seeking a complete hardware and software solution to help streamlining its store operation, which includes shortening the time required for inventory control processes, keeping track of the sales history and statistics such as weekly sales total, providing up-to-date taxation summary, and enhancing the overall transaction processing speed. Moreover, the storeowner is also considering to open new gift shops in several other locations, eventually requiring a centralize database to keep track of the inventory and sales record for each location. Since there is currently no computerized Point Of Sale (POS) system installed, Smith’s staff are forced to spend enormous amount of time on performing inventory manually on a weekly basis, calculating sales total everyday traditionally with a calculator, while the store has no record on customer information, lacking barcode system support and system security segregation and authentication.

The Solution

In order to help Smith Ltd. to streamline its store operation and minimize unnecessary labour work, InfoMax has provided the following complete POS solution for the gift shop.

Install a complete set of POS hardware and software that have the following features:

1. Keep track of inventory, ability to check inventory for each item in real time
2. Real time update of all inventory items
3. Connectivity to different store locations
4. Keep track of sales records down to a per transaction level
5. Generate sales report on client’s demand (e.g. on specific period of time, such as monthly, weekly, daily, per sales representative, per item, etc.)
6. Keep track of tax collected, and up-to-date taxation summary.
7. Keep track of customer information
8. Utilize barcode scanning system to speed up sales transactions and inventory processes
9. Simply procedure for exchange and refund
10. Sales representative authentication, multi-level POS system access with the use of magnetic swipe cards

Options:

1. Use customer information records to create a membership / point systems to give customer discount and gain customers’ loyalty.
2. Use VPN networking technology to connect different locations’ POS system to have a real time inventory update with a centralize database.
3. Use Magnetic Card system to identify sales and auto login with the POS system
**Transaction Process Diagram**

**Customer** with items to be purchased approaches the counter

Sales representative or employee **LOGIN** to POS station (manually)

POS system acknowledges login user and ready for transaction process

Use **Barcode Scanner** to scan the UPC or self-defined barcode for faster transaction and accurate item verification

Process inventory check and item verification in **POS station**

**Optional**

Type in **Customer information**

**Optional**

Use **Magnetic Swipe Card** to login (automatically)

Send item information and request to **Centralized** POS system database through **VPN/LAN**

More than 1 POS station or different locations, use **VPN/LAN** to connect

Send item information and request to local POS system database

With 1 POS station

Send item information and request to **Centralized** POS system database through **VPN/LAN**

Sales item verified, updated the price, quantity on the POS station and prepare for transaction process

Send acknowledge on finished sale, update the inventory and record the transaction

**Payment verifies and prints receipt**

**Transaction Finish**

Send acknowledge on finished sale and update the inventory and record the transaction on centralized database

Transaction process finished in 30 seconds

**Finish POS system transaction process**

**Start POS system transaction process**
Computerized Point Of Sale system Advantages:

The Advantages:

Increase Sales
- Monitor the inventory level and control the optimum level of stock for each item, this helps to eliminate the problem of out of stock or overstock.
- Create promotion items by using the periodic discount function on each item to increase sales and help to eliminate slow moving items.
- Keep track of each sales representative’s sales record and have an option to give commission or other incentives based on sales performance in order to have a more aggressive selling approach.
- Faster transaction on each sale and help to minimize customer waiting time
- Record customer information and preferences for company sales analysis, and create a customer membership program to offer discount or gift to generate more sales and gain customer loyalty.

Reduce Costs
- Set the re-order inventory level to remind store manager, this also help to eliminate the overstock cost.
- Reduce time on salesperson training time with an easy to use and highly functional POS system and have an option to use touch screen function.
- The barcode scanning system will help create an accurate sales item record and eliminate human error by scanning the barcode instead of human input.
- Generate custom sales report, inventory report, cost of good sold report, turn and profit report or any custom reports to help to create up-to-date information with a mouse click and decrease the administrative time on calculating all the reports manually. These statistics and reports offer invaluable information for forecasting.

Improve Customer Service
- Speed up the sale transaction process and eliminate errors at the checkout counter with barcode scanning and on-line price lookup.
- Use the on-line stock inquiry function to check item availability.
- Record customer information such as address, phone number, personal information and preference in order to offer a more personalized service and customer membership program to gain loyalty.
- Improve store image and professionalism with a complete computerized POS system.

Improve Competitive Advantage
- Use employee sales information to increase sales performance by commission.
- Comparing sales item record with fast moving item and slow moving item.
- Analyze the profitability by items and vendors to ensure the gross margin ratio.
- Print inventories counter report on a regular basis to control shrinkage problem before it become a major issue.

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