

“A key element in customer-centricity lies in a retailer’s ability to not only gather crucial data but to apply sophisticated analytical tools to it.”

– Gartner and RIS News (2006)



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Problem

Retailers are exploring new ways to become more competitive and offer their customers better prices and services. The grand challenge becomes the improvement of operations in a way that translates into quantifiable returns on investment.

Facts

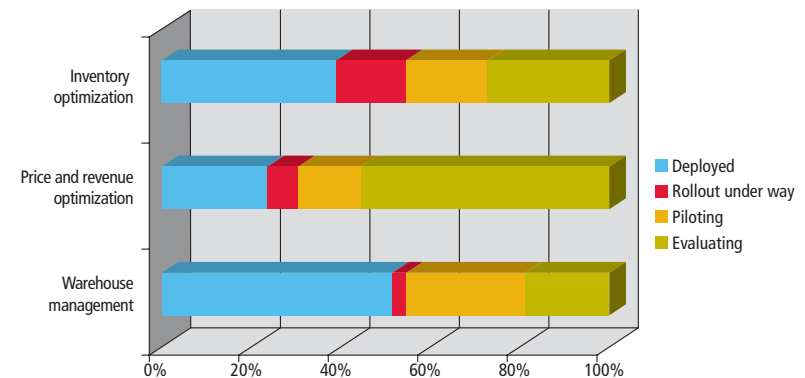
For years, retailers have used sales and customer data from their point-of-sale (POS) systems with inventory and ordering applications to spot trends, ensure popular products are in stock and regulate merchandise replenishment. But now, retailers are trying to differentiate themselves by using a new, more sophisticated analysis of this data.

For example, a 2006 study by Forrester Research, *RIS News* and Consumer Goods Technology found that 40 percent of the 89 retailers surveyed were evaluating price optimization of individual items. This is a relatively new phenomenon that goes beyond the traditional two-tier pricing (normal and discounted) used in most stores.

However, there is one obstacle to using these new analytic approaches. A 2006 Gartner and *RIS News* survey of 155 retailers found that 57 percent use spreadsheets for their analytics. These newer optimization techniques often require more sophisticated tools such as database reporting tools and business intelligence workbenches.

I.T. spending focuses on innovative analysis

A Forrester Research survey of 89 retailers found that many are using or plan to use POS data to optimize operations, pricing and revenues. (Source: Forrester Research, 2006)



POS solutions from CDW can help you collect sales information and assist with better inventory and business management decisions. POS data can also help you monitor discount and incentive programs with suppliers to ensure agreements are met.

CDW offers POS solutions that focus on your challenges to:

- Improve inventory control and supply chain management
- Be more responsive to customers, suppliers and partners
- Make better-informed business decisions
- Easily adopt new POS technologies as they come along
- Provide high-quality and personalized customer service
- Retain customers through loyalty programs
- Leverage open architecture to control operational costs
- Adopt new price optimization strategies

Let CDW technology specialists:

- 1 Present a written review and analysis of your current POS infrastructure and retail operations
- 2 Conduct a thorough POS assessment to determine business requirements regarding collection of sales data and integration of information with other systems
- 3 Identify, size and design POS hardware configurations, software and services using cost-effective technologies
- 4 Create project start-up plans and acceptance criteria; develop site implementation plans including housing and management
- 5 Provide configuration, testing, high availability and installation through controlled deployment and services
- 6 Manage and provide steady-state support of POS solution environments
- 7 Offer server, storage systems, data management and backup software, and security systems to ensure data safety and availability
- 8 Audit feedback and reports to ensure deployed POS technologies deliver desired results
- 9 Support evolving needs of the POS system to improve performance and scalability
- 10 Develop secure networking solutions that enable you to work effectively with your suppliers





Making the most of POS data

Having already invested in open POS systems and integration efforts to aggregate the data and incorporate it into their business applications, many retailers are trying to expand on the uses of this data to increase optimization within their operations.

For example, organizations are adopting price optimization techniques that take purchasing patterns into account and then set an optimal price for each store item. Rather than simply marking down a slow selling item, price optimization has the potential to maximize revenue for each item. Prices can be adjusted both up and down over time based on real-time analysis of the sales data.

Another area where companies expect their POS data to help improve operations includes the monitoring and oversight of agreements with distributors and suppliers, according to a 2006 KPMG retail technology report. Here the issue is a matter of becoming more proactive and more automated when managing these agreements.

Many retailers have specific agreements with suppliers for price discounts based on preset volumes of inventory and sales. Oftentimes today, a retailer will use POS sales data to generate weekly, monthly or quarterly reports for the supplier to show sales have indeed met the levels of an agreement.

The problem here is that the information is frequently old (by at least days, weeks or months). A better approach is utilizing business intelligence solutions that provide managers with real-time information about compliance with these sales agreements.

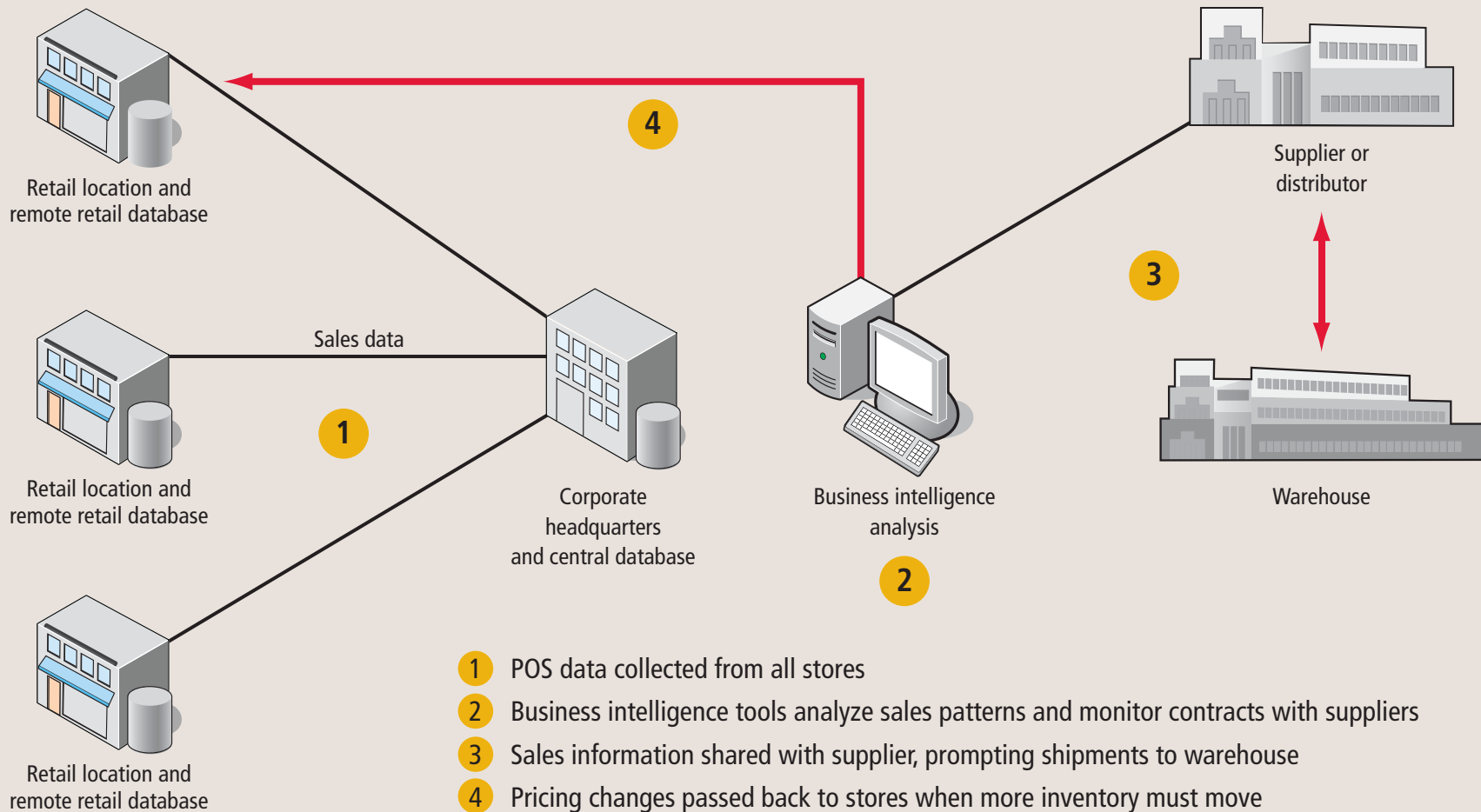
In this way, a manager might note that if his stores sold 100 more of an item over a set amount by the end of the week, a deeper discount would kick in from the supplier.

Having this information at hand and immediately available, the price on that particular item could be lowered with the hope of driving sales to get the reduced rate from the supplier.

For such an operation to work requires tight integration of POS systems with enterprise resource planning (ERP) and supply chain management (SCM) applications. It also requires the more sophisticated analysis tools that can quickly give managers information that lets them know their status with regards to contractual agreements.

POS data speeds pricing and ordering changes

Retailers can use sophisticated analysis of sales data to optimize prices and inventory



(Source: Ziff Davis, 2006)



POS solutions from CDW

Retailers are adopting new analytical techniques to optimize revenue and pricing while also improving warehouse and inventory management. To reap the benefits in these areas requires a state-of-the-art POS solution that is tightly integrated with databases and applications including inventory, billing and customer relationship management systems.

CDW technology specialists, working with you, can customize a POS solution that incorporates a mix of hardware, software and services to meet your company's organizational and strategic needs. In addition to offering a wide range of POS products from leading vendors, CDW also offers services ranging from pre-sales design, configuration, installation and integration to post-sales support. Additionally, these specialists can help implement a solution within your entire infrastructure to ensure proper implementation and integration throughout your organization.

Beyond assisting with POS system product specifics and strategic infrastructure implementation, our specialists can network the devices in one retail location or across multiple locations. CDW expertise in both local-area and wide-area networking ensures that your systems are properly integrated securely into and across your organization both locally and remotely.

Aggregating and sharing POS data

A key element to the new analytic methods being employed to improve the bottom line is data accessibility. Internally, general managers need accurate information about sales data throughout the organization to produce reports and to optimize pricing or inventory.

Data collected by POS systems is also increasingly being shared with outside partners and suppliers. By integrating this information with suppliers and partners, distribution centers are efficiently prepared to deal with supply and demand. Store-level replenishment systems, suppliers and partners are linked to ensure product is available, replenished or turned out of stock based on annual and, in some cases, monthly buying habits. This information is not only useful for immediate needs but is aggregated to produce annual customer forecasting.

Your POS solution now acts as the heart of your organization whether it's within one or multiple locations. Gone are the days that it just processed an order. Now POS systems track buying habits, assist with customer programs, track inventory and help build a more accurate annual forecast incorporating suppliers and distribution.

CDW POS certifications

CDW specialists can help you with all aspects of your POS solution from pre-sales needs assessments, product selection, system setup and installation to integration into your business. For example, we can help you set up an internal network in one or several locations and then link the locations using a variety of WAN

services. Additionally, we can implement secure network communications and access to your suppliers' systems.

CDW specialists' certifications include:

- Cisco Certified Design Associate
- Cisco Certified Network Associate

- CompTIA Security+
- CompTIA Network+
- CompTIA Server+
- CompTIA Project+
- Microsoft Certified Database Administrator

Partner with CDW for a customized POS solution

To enhance customer satisfaction and leverage sales data to optimize operations, CDW offers industry-leading POS system solutions along with technical expertise and around-the-clock online support. Your dedicated CDW account manager will help you assess your POS needs based on your specific needs by engaging the appropriate specialist to meet your system requirements and make recommendations. Additionally, we work closely with our partners to ensure seamless installation and oversee any necessary follow-up activities.

CDW partners with the industry's best manufacturers and technology providers to bring you a range of POS solutions and in-depth expertise. To facilitate budgets and scheduling, CDW offers a variety of prepackaged and onsite service offerings. We also offer training, extended warranties, installation and configuration assistance.

Coupled with providing top-of-line POS systems, CDW carries an enormous array of in-stock products — everything your I.T. operation could possibly need, from servers to mouse pads and everything in between. And our inventory is constantly replenished to reflect the latest technology trends that meet today's needs and equip you for tomorrow's. When you work with CDW to achieve your POS objectives, you work with a company that stands behind your solution, from product support to technical support to professional services, whenever you want assistance. Discover a wealth of CDW resources available to you before, during and after every technology purchase, and it's only a phone call away.

When you buy direct from a manufacturer, you get the best that company has to offer. When you buy from CDW, you get the best the industry has to offer.

For more information about POS solutions from CDW, contact your dedicated account manager, visit CDW.com or call 800.800.4239.

