

Case Study

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Super S Foods Turns to StoreNext for POS System that Sharpens Its Competitive Edge

Super S Foods epitomizes the vision and entrepreneurship of the independent grocer. The family-owned chain operates 47 stores within a 175-mile radius of the company's San Antonio, TX headquarters, enjoying a peerless reputation for quality meats and produce, products and services that cater to local customer tastes, and superior service — in a word, value.

Providing that value is a never-ending challenge in today's retail grocery business. Going head-to-head with huge supermarket chains, supercenters and other retailers requires independents to continually look for ways to raise the bar on shopper service while lowering costs. That's why Super S turned to StoreNext for a PoS system that makes information technology one of the most powerful weapons in the chain's competitive arsenal.

An aging system heads for the dumpster

Detailed and timely sales, customer and other information are some of the most important tools for today's grocer. However, the chain's existing POS system lacked the flexibility and integration with back-office systems to thoroughly support reporting and accounting functions, or automate front-end operations to improve cashier productivity and accuracy.

"In terms of gathering information at the individual store level and getting it to our corporate offices or making our front-end operations more efficient, the old POS platform clearly could not perform like we needed it to perform," says Dennis Hudson, vice president of retail services for Super S. "For example, we had to print a bad check list for every store and cashiers had to manually leaf through it before authorizing a check, and the system did not help cashiers figure out which food products qualified for WIC purchase.

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"We needed a system that provides better access to daily and weekly sales data, interfaces to cash reporting and back-office systems, handles customer charge accounts, and addresses a number of other tasks more effectively."

Placing Super S in the Driver's Seat

Working with POS reseller Cash Register Services, Inc., (CRS) based in Lubbock, Texas, Super S chose a solution comprising the ISS45 Version 7.0 WinPoS system from StoreNext, a joint venture of Fujitsu Transaction Solutions and Retailix, Ltd., and Fujitsu's TeamPOS 2000 terminals and 9900 scanners. The system is installed across a total of 243 checkout lanes chain-wide.

This is a powerful combination from the only IT company focused exclusively on the technology needs of independent grocers and small chains. Marrying industry standards with proven, supermarket-specific applications, the StoreNext solution eliminates the need for a costly customized system, yet provides the flexibility to meet specific IT requirements — like those of Super S.

"We looked at other systems," Hudson recalls, "but StoreNext's solution best met our criteria for what we wanted to accomplish, at a cost that was very competitive. Just as important, the references we got from other stores using the system and on CRS, their customer support and their ability to make their solutions work, all factored into our choice."

Immediate payback, powerful capabilities

The new system provides a range of reporting tools, accounting and balancing functions that integrate front-end operations with back-office accounting to automate data flow between the stores and headquarters. In addition, debit/credit/EBT functions are now automated, along with customer charge account transactions and reporting. The system also offers coupon validation to ensure correct item purchases, as well as electronic validation of qualifying WIC items and tracking of bad debt files to take the burden of compliance off of cashiers, eliminating costly mistakes

One immediate payback, according to Hudson, is a 25-percent reduction in bad debts as a result of the system's check approval and tracking capabilities, eliminating the need for paper lists at each cashier's station.

The hourly reports flowing from the ISS45 system also support a more sophisticated scheduling approach that contributes to lower manpower costs without sacrificing customer service.

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"Labor costs are down since the system was installed," Hudson notes. "Our checkout process and scanning are faster, cashier training is simplified, and handling of credit card transaction has improved. We're also getting timely statements and accurate charge account aging reports that help us better reduce those costs."

Now that the accounting and operational controls are firmly in place, Super S is focusing on marketing initiatives that can be supported by ISS45's comprehensive customer and sales data.

"We are extremely pleased with the progress we've made, and plan to do even more with it in the months ahead," Hudson says. "We'll develop parameters for electronic journals that can track refunds, voids, cash shortages and other exceptions, so we can take a look across a universe of 300,000 items, for example, and zero in on the anomalies."

"The system allows us to track daily movement of items and transmit that data to headquarters in a matter of minutes, so we can immediately gauge the effects of markdowns or weekend promotions. We're testing controls on ad limits for promotions that require a specific item purchase. And we now have the tools to analyze data for buy-one-get-one-free promotions, replace paper gift certificates with gift cards, and implement customer loyalty programs."

Running with the big dogs

"Today, we can make decisions based on what we want to accomplish with our system, not based on the limits of the technology in place," Hudson points out.

That flexibility is critical for maintaining an edge against much larger competitors.

"They may or may not have an edge in purchasing power, but one advantage they definitely have is the ability to employ sophisticated technology to utilize information effectively," he says. "To compete against the big chains, you need good front-end POS equipment to get the data you need on a timely basis, and at the level of detail needed to support decision-making."

"Systems, information and technology all help reduce the cost of doing business, and now we have the same advantage."

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