

How to choose the right POS software for your newsagency

By Mark Fletcher, CEO, Tower Systems

Selecting the right software for any business is a daunting task. In this article, Mark Fletcher, drawing on 26 years working with newsagents, provides some advice to guide newsagents to the right decision.

First up I want to change what you call the software I want to talk about. Newsagents often talk about POS software. That is, Point of Sale software. Point of Sale functions are only part of the story. This is why I refer to what newsagents need as **Retail Management Software**. The term retail management better reflects the broad focus of the software retail newsagents need for their businesses.

If you are looking for Newspaper Home Delivery Software, I have written a guide to choosing that and loaded it at www.towersystems.com.au/newsagents.

Choosing the right Retail Management Software for your Newsagency is easy if you follow these simple steps:

- be sure of what your business needs;
- understand what your suppliers will expect;
- understand the value of this to your business;
- remain focused on the business outcomes important to you;
- be in control of the process.

It is easy for software sales people to confuse you and guide you to the wrong choice for your business. This can be avoided if you stick to the simple steps outlined in this document.

Some sales people need to be reminded that this is your choice and that you will choose the system which is right for your business.

Retail Newsagencies have needs which are unique to them. While they also share needs with other retailers, it is these unique needs which are most important to the business.

While I could write thousands of words on how to go about determining your needs and preparing an appropriate specification document, the reality for many Retail Newsagencies is that this is not appropriate. Instead, I recommend a single sheet of paper approach. It's easy and achievable by business people of all skill sets.

Most good Retail Management software has common functionality in the traditional areas of selling, printing receipts, handling customer accounts, managing discounting and reporting on sales. It is in the 'fringe', the management, where you will find differences and these often are differences in businesses as well.

So, take out a sheet of paper rule a line down the middle. On the left hand side, note down the key requirements of a computer system which you consider will be unique to your business. What is it you do which you feel no other Retail Newsagency would require? Do you have unique suppliers? Do you sell categories of products which newsagents do not usually handle? Are your products packaged in an unusual way? Do you operate off a non standard markup policy?

Beyond the aspects of your business operation which are unique, what is different about how you run your business compared to other newsagents? In creating this part of the list on the left hand side of the paper, consider these questions:

- What information do you need to make your business decisions? Do you prefer to focus on profitability? ROI? Return of floor space? Benchmarking? What you need from a management perspective ought to come first in any consideration. Software with a poor selection or hard to navigate reports will not serve your business well.
- Do you run separate accounts for different parts of your business for a customer or do you want one account?
- Do you want to link to other suppliers from your registers – suppliers such as phone recharge companies?
- Do you have a loyalty program and if so are there processes unique to you?
- Do you want to link your registers and the data collected to a security system?
- Do you want to receive text messages when possible employee fraud occurs?
- Do you want to automate the staff roster or do you prefer to handle this manually?

- How do you market to existing customers and would you want your software to help?

Next to each of your requirements, note the amount of time you spend with current processes. This could be the amount of time you save by purchasing the right system.

There are bound to be other business specific questions and requirements you could consider. The list above is provided to start you off.

On the right hand side of the paper, note down what is important to you in the software company from which you purchase your Newsagency software. These points ought to be the *must haves* without which you will knock out a potential supplier. For what it's worth and based on many years owning a newsagency, here are my suggestions for this list:

- **They are committed to *your* business outcomes.** As I noted earlier, anyone can develop point of sale software. It takes deep commitment and investment to develop and deploy a retail management solution for Newsagents. You can determine commitment by the number of newsagents using the software, how they use the software, what suppliers think, quality of reporting and factors below.
- **They provide excellent service.** Check with Newsagents using their software, not just reference sites provided by the companies but others. Find out what people really think. Test their support before you buy the system.
- **They host regular user meetings and training sessions.** Ask for a list of all they have run in the last year and check this with other Newsagents.
- **You retain control of your system.** There is a risk in allowing a software company to update software without your approval and involvement. There have been instances where newsagents have lost their system for days because of this.
- **They own the software.** There is nothing worse than buying through an agent who does not have easy direct access to the software developers.
- **They are transparent and consistent about pricing.** Some software companies charge less for people who say good things about them. This can lead to a false impression in the marketplace.

- **Support fees are fair and do not increase beyond CPI.** Ask for a copy of support fees from the last four years. Check this with other Newsagents.
- **They are prepared to help you compare their system with another of your choice function by function.** Few software companies will allow such a transparent comparison yet it is the best way for a newsagent to compare two systems.
- **The software is yours to keep.** Once you purchase the software you do not have to pay further licencing fees to use the software. Some systems are licenced annually – meaning you **MUST** pay a fee to keep the software active.
- **Training.** The system is provided with on site training by the company itself. Too many software companies nowadays contract training out and this provides an opportunity for them to point the finger if there are later support issues.
- **Enhancement suggestions.** Make sure that the software company has a mechanism for you making your enhancement suggestions known to them. This demonstrates that your opinions really do matter.

Once you have this sheet of paper you are almost ready to start shopping around.

Take some time to get together copies of all the key documents you use in your business. This includes receipts, orders, reports and especially any spreadsheets you create to manage the business and guide your decisions – if the system is to be of value it must replace these.

You are almost ready to look at possible systems. First up, compare the websites of the companies you are considering. Be sure to assess the ease of navigation of the websites, the professionalism and speed. These are all indicators of the software the companies sell.

When you *are* ready, arrange the demonstrations, book these for your Newsagency so that the sales people can see your business first hand. If they offer you a demonstration copy of the software say no as this is a lazy way to sell, leaving you to do all the work.

Set a time limit for the demonstration and always remain in control. This purchase is about you and NOT about them. Some sales people have been known to use cunning tactics to try and get newsagents to buy their software including staying for hours. Remaining in control will help you resist this and lead you to buying the best POS software for your Newsagency.

If, after the first demonstration, you cannot decide between, say, two systems. Invite them back to demonstrate again at the same time so that you really can compare apples with apples. Many software companies will reject this, preferring to deal one on one with you.

When you feel ready to make a decision, ask for three reference sites. Call them. But understand that you will only be given good reference sites so ask these folk if they know anyone else using the software.

If you have time, visit the offices of the software company – there is nothing like seeing how they operate internally to assess whether you want to do business with them. Is it a happy and professional workplace? Do the employees seem stressed? Do the people you would have most to do with seem to want your business? What does the help desk area look like? Does the business seem well organised and ready to deliver the kind of service you want? An office visit like this can be crucial in guiding your purchase decision.

The ultimate choice you will make is about the people more than the software. This is why I recommend taking your time and assessing the various people you will rely on to make the software work for your business.

While this focus on the actual software company may seem like a lot of work, the reality is that this is a long term business relationship. The more effort you put into the courting phase the more likely the relationship will survive and your Newsagency will thrive.

Good luck. If you're well prepared you won't need luck.

About Tower Systems

Tower Systems began in 1981 in Melbourne Australia. Since its formation, the business has focused solely on the needs of small business retailers. Today, the company serves in excess of 2,000 small business retailers in Australia, New Zealand, FIJI and several Asian countries. Tower Systems has offices in Melbourne, Sydney, Brisbane, Adelaide, Perth and Auckland. Tower Systems is a proud supporter of the Lighthouse Foundation, an organisation working with troubled young people in need of a caring home environment.

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