



## Microsoft Dynamics Customer Solution Case Study



## Hospital Retail Chain Boosts Sales During Tough Economy, Cuts Tasks to Zero Time

### Overview

**Country:** United States

**Industry:** Retail

### Customer Profile

Columbus Regional Healthcare System in Columbus, Georgia, manages medical centers and five stores for the public and staff.

### Business Situation

Without automation, tracking staff's payroll deductions for purchases required a full-time employee. Stretching an earlier system to fit retail resulted in ambiguous reports and still didn't manage payroll deductions.

### Solution

Microsoft Dynamics® Retail Management System, Retail Technology Experts, and Paquin Healthy Discounts give real-time visibility on sales and stock levels. Accurate purchasing helps raise revenues.

### Benefits

- Eight times as many customers at very high buying levels
- "Nearly spectacular" rise in one shop's gross and bottom line
- U.S.\$20,000 saved in reduced time spent tracking employee purchases
- Sharper purchasing improves cash-in

"We show significant improvements in the bottom line and a nearly spectacular improvement in our uniform shop. It's growing like gangbusters."

Charles Adams, Director of Retail, Columbus Regional Healthcare System

With several medical facilities, pharmacies, and five retail shops, Columbus Regional Healthcare System (CRHS) in Columbus, Georgia, is the area's most important provider for a wide spectrum of health needs. Retail income helps defray medical costs, so efficiency is vital. With no automation, earlier records were nonstandard, barricading improvements. Pushing a previous system into shops only added sales records by category, not by SKU, and did not address scores of weekly hours spent tracking staff's payroll-deducted purchases. Retail Technology Experts installed Microsoft Dynamics® Retail Management System, Paquin Healthy Discounts, and interfaces that reduced many task times to zero. This motivates customers to centralize more of their buying into CRHS stores and pinpoints purchasing to defeat space limitations. Now, it will be easy for CRHS to deploy stores in new facilities.



“Our stores’ sales have increased significantly in spite of a sluggish local economy. The benefits we give customers are even more valuable to them now—precisely because money is tight. We get business other stores aren’t smart enough to keep.”

Charles Adams, Director of Retail, Columbus Regional Healthcare System

Purchasing a complex matrix of styles, colors, and sizes has been especially effective in making this uniform shop grow rapidly.

### Situation

Built in 1836 as a wood-frame hospital by the Chattahoochee River, Columbus Regional Healthcare System (CRHS) in Columbus, Georgia, now includes healthcare specialty centers throughout the Columbus area, augmented by pharmacies and five in-site retail shops.

Beyond contributing financially to CRHS, the retail segment serves thousands of patients, visitors, and 3,600 employees seven days a week. The shops’ convenience and efficiency help speed care, ease stress, and retain staff.

Exclusive of the pharmacy, 12 retail employees and up to 40 volunteers sell 52,000 stock-keeping units (SKUs) of stationery, jewelry, ceramics, flowers, gift baskets, baby items, and cards. A busy uniform shop sells a variety of scrubs, smocks, shoes, hosiery, and even medical equipment, such as stethoscopes and scissors. The Cancer Center boutique offers wigs, bras, prostheses, and body products. Besides usual payment methods, staff can defer payment through payroll deductions.

### Modern Medicine, Retro Retail

Charles Adams, Director of Retail, relates, “When I began, the retail processes in this very modern medical center were 100 percent manual. They bogged down lines at

registers, made returns difficult, were impossible to keep inventory accurate, and required a full-time employee to track payroll deductions. We had no real-time views of what was happening in each shop, and no timely way to track what staff were putting onto their payroll credit accounts. Our information was scattered, and its format wasn’t consistent among stores. Without sensible reports, no one can remember everything in every store that needs to be reordered. You need to be as smart as possible in today’s retail setting.”

### A Bandage Solution

“Our first automation was expanding our retail system into our other retail operations,” Adams reports, “But we found that it couldn’t adequately meet our broad retail needs. It reported sales by categories, with no itemization of which exact items we had sold, what sold well in which shop, or when to reorder. We shouldn’t have spent time or money on a solution that wasn’t as flexible as we required for expanding our retail operations. It didn’t address payroll deductions, inventory, purchasing, or other POS [point-of-sale] challenges. Nor was the developer responsive to our requests for help or new features.”

Adam continues, “Because medical retail stores are traditionally space-challenged, inaccurate restocking can misdirect purchasing budget today and even cost you sales tomorrow. Our uniform shop needed its orders to be exact, but we often miscalculated the desired matrix of style, size, and colors. And when you lose a sale, you lose future sales from that customer and their friends.”

### Solution

CRHS employees’ retail knowledge and word-of-mouth brought Microsoft Dynamics® Retail Management System (RMS) to Adams’s



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To use tight retail space with extreme efficiency, it is essential to know customers' historical buying patterns

attention. “Almost everyone on staff had worked with or knew of Microsoft Dynamics RMS,” Adams says. “Paquin also endorsed it, and we were investigating their medical-retail loyalty programs. When we met Retail Technology Experts [RTE] at the Atlanta International Gift and Home Furnishings trade show, no one else really had as complete a solution for hospital retail as RTE did. There was no point searching further. Microsoft Dynamics RMS and the Paquin Loyalty Module Interface delivered everything we were looking for. We also knew that Microsoft solutions lead software evolution and meet changing business needs, so our future was safe.”

Microsoft® Gold Certified Partner Retail Technology Experts is a leading POS-retail systems provider throughout the United States, the Caribbean, and Latin America. Founded in 1991, RTE installs, trains staff in, and supports POS systems for a rapidly expanding client base that exceeds 1,000 companies. Paquin Healthcare’s Healthy Rewards Card program receives data from the new retail solution and accumulates points by customer in real time. Paquin serves 115 million healthcare customers and provides full-service ecommerce marketing support and services.

#### Five Stores, Five Days

Installing six lanes in CRHS’s five stores took a week, including interface to an existing Lawson accounting product. The Medical Center Auxiliary Gift Shop has two lanes. Columbus Regional Uniform Shop, Flower Shop at the Medical Center, Boutique at John B. Amos Cancer Center, and Gift Box at Doctors Hospital each have one lane.

In each store, Microsoft Dynamics RMS Store Operations collects store-level customer, transaction, stock, and tender information. A central license of Microsoft Dynamics RMS Headquarters polls the Microsoft Dynamics RMS Store Operations databases frequently to collect data and to disseminate any changes Adams has made. Among other capabilities, he can add or delete items and schedule future sales by store, product, category, or other parameters.

#### New Tools, Fewer Steps

“Reports are concise, and we can pull them at any time—on the screen, on paper, and send them by e-mail,” says Adams. “We see when a customer goes from one store to the next. We can track a customer’s purchases from the day we installed the system and see their balances at all shops on three campuses. That gives us checks and balances to prevent someone from overcharging our payroll deduction plan.” Adams and Retail Technology Experts can customize reports to highlight specific management needs.

Input to the Lawson accounting solution was previously manual, laborious, and error-prone. “Now we interface electronically,” reports Adams. “That’s another manual task that RTE’s Lawson Interface made disappear. It equitably spreads payroll deductions over a specified number of pay periods. That task was once manual and has also entirely disappeared because Microsoft can push its data into nearly any accounting system.”



“My reports show that the number of people at each spending plateau keeps rising.... A year ago, we had two or three customers at the thousand-point level. Now we have 15 or 16, and we’re only halfway through the year.”

Charles Adams, Director of Retail, Columbus Regional Healthcare System

Adams continues, “RTE is unfailingly timely and supportive, but they amazed us during inventory. We were certain that much of the stock data in our previous system was proprietary and not recoverable. RTE saved us weeks of data entry by recovering it. No matter what I throw at them, I always get a solution.”

### Benefits

Adams says, “The Microsoft Dynamics RMS, RTE, and Paquin solution is giving us higher revenues, smarter buying, far less staff time spent on tasks, and tighter retail practices. Many of our most time-consuming tasks have simply disappeared into the newly automated processes. Store associates and hospital staff are glad to be rid of the extra steps that manual payroll deductions once required. Each payroll sale required its own sheet of paper and a signature. It’s now automatic with their employee number. This brings new dollars in the door by speeding up lines. Customers standing in line behind hospital staff now stay in line because they know the old waits are gone.”

### Increasing Revenue

“Thanks to Microsoft Dynamics RMS and the interface with the Paquin Healthy Discounts loyalty card, our stores’ sales have increased significantly in spite of a sluggish local

economy,” Adams asserts. “The benefits we give customers are even more valuable to them now—precisely because money is tight. We get business that other stores aren’t smart enough to keep.”

Adams continues, “We show significant improvements in the bottom line and a nearly spectacular improvement in our uniform shop. It’s growing like gangbusters. We can’t carry six of every size, every style, and color, so we have to know what’s selling. We have very fast turnover and little storage space, so reorders have to be nearly perfect. Only with this system do I know what’s selling well and what goes on clearance.”

### Motivating Customers through Marketing

“The biggest gain in revenue is from this new technology teaching us and empowering us with new marketing methods,” says Adams. “Microsoft Dynamics RMS and Paquin are amazingly effective customer motivators. Each receipt shows cumulative customer points at the bottom, and everybody wants to reach the 200-point level where rewards start.” CRHS incentivizes its Healthy Reward customers through special sales, such as Double Points Tuesdays.

“My reports show that the number of people at each spending plateau keeps rising,” says Adams. “We try to move those in the 500s up to the 800s. A year ago, we had two or three customers at the thousand-point level. Now we have 15 or 16, and we’re only halfway through the year. We know where they’re spending it, by shop and by products, so we know where we’re serving them and effectively motivating customers.” The Healthy Rewards Card has worked very well for CRHS, as have other new marketing tools.

“The one minute I spend setting an alarm for a minimum level of a hot product translates into always having it on hand for people to buy,” says Adams. “In the past, we’d run

Hospital gift shops are expected to carry—and have constantly in stock—a wide assortment of gifts and comfort items.



completely out and need two or three weeks to get it back in. With Microsoft Dynamics RMS, I can see the Baby Department, all its categories, sales of all its items, and what's left in stock. I can even see who its vendors are and decide who is most advantageous to order from."

A revenue benefit that staff members also appreciate is no longer closing shops for two days of grueling, full-time physical inventory management. "We used to take inventory on sheets of paper," says Adams. "Now it's all scanned. Stores stay open and selling while we do the whole chain in two days. And we know our counts are good."

Adams and his staff will soon implement an ecommerce capability through Paquin.

#### **Saving money**

Besides slowing down lines at the point-of-sale, the previous handling of payroll deductions generated arduous accounting tasks. Adams reports, "We had one full-time employee doing data entry and working out how to distribute deductions over expected pay. That has all disappeared, saving us \$20,000 yearly in that one task."

With the old system, an employee might visit several shops on the last day of employment, loading up on payroll deductions, knowing no more payroll was coming. With real-time, chainwide visibility, once the employee exceeds their limit based on expected paychecks, the tap shuts off.

"The reports I get from executives are very positive. They like the revenues and put them to good use throughout CRHS. And they love the new information and controls on inventory and payroll deductions," says Adams. "In retail, you have to be prepared for what you can't see. Things change fast. We know we have the technology to help us adjust and beat the competitors. We just acquired another hospital and its shops will need to come up on Microsoft Dynamics RMS and the Paquin interface from Retail Technology Experts. Without that, they won't reach potential."

## For More Information

For more information about Microsoft products and services, call the Microsoft Sales Information Center at (800) 426-9400. In Canada, call the Microsoft Canada Information Centre at (877) 568-2495. Customers who are deaf or hard-of-hearing can reach Microsoft text telephone (TTY/TDD) services at (800) 892-5234 in the United States or (905) 568-9641 in Canada. Outside the 50 United States and Canada, please contact your local Microsoft subsidiary. To access information using the World Wide Web, go to: [www.microsoft.com](http://www.microsoft.com)

For more information about Retail Technology Experts (RTE) products and services, call (800) 513-5917 or visit the Web site at: [www.retailtechnologyexperts.com](http://www.retailtechnologyexperts.com)

For more information about Columbus Regional Healthcare System products and services, call (706) 571-1000 or visit the Web site at: [www.columbusregional.com](http://www.columbusregional.com)

## Microsoft Dynamics Retail Management System

Microsoft Dynamics Retail Management System (RMS) offers a complete store automation solution for small and medium-sized retailers, streamlining point-of-sale (POS), customer service, and store inventory management, and providing real-time access to key business metrics. Microsoft Dynamics RMS is a comprehensive solution for single-store and multi-store retailers that empowers independent proprietors, store managers, and cashiers through affordable and easy-to-use automation. Microsoft Dynamics RMS has the flexibility and scalability to grow with a retailer's business. It works with the Microsoft Office system, Windows Small Business Server, and leading financial applications to provide end-to-end support from the cash register to the back office.

For more information about Microsoft Dynamics RMS, go to: [www.microsoft.com/dynamics/rms](http://www.microsoft.com/dynamics/rms)

### Software & Services

- Microsoft Dynamics
  - Microsoft Dynamics Retail Management System Store Operations
  - Microsoft Dynamics Retail Management System Headquarters
- Microsoft Server Product Portfolio
  - Microsoft SQL Server 2005
- Windows Server 2003
- Windows XP Professional

### Third-Party Software

- Retail Technology Experts - Paquin Loyalty Module Interface
- Retail Technology Experts - Lawson Interface

### Hardware

- Hewlett-Packard Proliant DL320 rackmount server
- Hewlett-Packard RP5700 POS workstations
- Hewlett-Packard 15-inch flat panel monitors
- MMF Media Plus cash drawers
- Symbol 2208 scanners
- Star Micronics TSP 654 printers
- Ingenico 6550 signature capture devices
- Zebra 2844 barcode printers
- New West integrated wireless mobile suite

### Partners

- Retail Technology Experts

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