

Beyond the Recipe Box

BY CHRISTINA PIVARNIK

A Case Study of Olson-Mills
Tack Shop in Bellevue, Wash.

When Mike Akers purchased Olson's Tack Shop in Bellevue, Wash., in 2003, he had a clear vision—to provide excellence in service and quality products, and to bring the store's technology into the 21st century with the most up-to-date system he could find.

Akers has achieved his goal over the past five years, by computerizing his entire operation with a point-of-sale (POS) system that integrated all store operations, from managing inventory to accounting to building a full-blown customer database, to name a few capabilities. Another best-practices example of Akers' ambitious program is how Akers uses the store's website to enhance the business and increase sales.

"When I bought Olson's," Akers says, "all the sales receipts were kept in a recipe box. It was really a nightmare. Sometimes they'd get out of order, making it a challenge to find the receipt you needed, when you needed it. If a customer was returning an item and they didn't have their sales receipt with them, we'd head to the recipe box and hope for the best!"

Finding the Right POS System

As a new owner, the first thing Akers did was to research POS systems. With

hundreds available, narrowing down the choices was a daunting task. He wanted a POS that could be customized for his store's needs, especially geared toward equestrian retail.

Akers found a company in California, called Big Hairy Dog, with a software package, Retail Pro, that he thought could be adapted to the store's requirements. After checking the company's references, paying particular attention to its tech-

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nical support and training capabilities, he was ready to make the financial commitment.

Purchasing the system immediately following the acquisition of the store was an expensive proposition but well worth the expense in efficiency gains. Akers says: "We paid less than \$20,000 for it, which included roughly 50 hours of training and service time. Today, I can't imagine running our business without it. Over the past several years the system has more than paid for itself."

On the financial end, the system includes bookkeeping data, which keeps the accounts receivables and accounts payables balanced, catching mistakes like overcharges, and tracking returns, among other attributes.

The inventory management component is extremely useful too, as the computer will automatically generate a purchase order based upon the minimum/maximum levels. In other words, if a certain product drops below the pre-established minimum stock level, the system flags it so that basics are always kept stocked.

"We're able to determine a good buying plan based upon reports the system generates," says Akers. It shows what types of items had the best sell-throughs so they can be expanded upon in upcoming seasons, or if something didn't sell well, they readily know to back off on those things.

Training and Technical Support

Jason Weatherholtz, director of operations for Olson's at the time Akers purchased it (and now for Olson-Mills), was instrumental in working with the software company to get the system operational for the new store. "We needed to set up our inventory, tax codes, consignment sales, video rentals and manage our database, just



Olson-Mills' computerized POS system gives the company plenty of marketing options. Its robust customer database can target customers by discipline.

to name a few of the specialized needs we had," Weatherholtz says. And, of course, you can't really take it for a "test drive." The amount of money and energy it takes to install means that once you make the commitment, you're in it for the long haul.

As with any new computer skill, there was a little bit of a learning curve. For the most part, however, both Akers and Weatherholtz say the program is fairly straightforward. "The customer support and personalized training we received from the company made the whole process seamless and easy for us," Weatherholtz adds.

"Since the POS had been designed especially for our needs at Olson's, it made it a natural for future growth," Akers says. And that played well for him when, in 2006, he purchased Mills Horse and Tack, also located in Bellevue, Wash.

As the two stores morphed into Olson-Mills Tack Shop—a single, centralized 4,000-square-foot store—Akers was ready to take the next technological step and expand the system's capabilities. That included adding more work stations, an upgraded server

and using the customer database to a greater degree.

Technology as a Marketing Tool

With a customized POS system, the marketing possibilities have been endless. When Akers bought Olson's in 2003, its customer database's records numbered 1,500; just five years later at Olson-Mills, it's more than 10,000. The software allows Akers and Weatherholtz to target customers through their riding disciplines and interests. They know exactly who their hunter/jumper and dressage riders are, as well as their eventers and pleasure riders.

For example, if a vendor is coming to the store for a trunk show, the system identifies customers who have purchased that vendor's items in the past year. Then Olson-Mills sends a special invitation to those individuals who they know are already fans of the products being showcased.

If they're taking their mobile unit to a dressage show, the database will identify dressage riders within a specified radius—say, 50 miles in any direction—so mailings can be sent to those riders notifying them of the mobile

unit's presence at the show. In addition, the system can indicate top-selling items for that targeted customer base, in this case dressage riders, so Olson-Mills is certain to have those products in the mobile it brings to the show.

Apart from the POS system, Olson-Mills uses marketing technology for its website. When Akers merged Olson's and Mills into one store, he hired a marketing firm to create a new brand identity, including a fresh logo and graphics, store colors, image photography and advertising templates. Once all the design elements were in place, it was easy to take them to a Web designer to create a branded look that ties into everything else in the store.

"We use our website for news updates, information about upcoming shows where our mobile unit will be, store-wide sales, special vendor appearances and trunk shows, saddle sales, and most recently to announce we've gone 'green' as a company, with environmentally friendly products and practices," Akers adds.

Its site also offers an opportunity for

Computerizing Your Store

The task of computerizing your store can be intimidating, but a few guidelines can help you sort through what you're ultimately trying to achieve. The first step is to determine what your needs are. Make a list of what you'd like a computerized system to do for you. Many software programs can address a multitude of solutions. They can manage inventory, control cash, reduce costs and improve customer service.

Next, start your research by asking other equestrian retailers what their experience has been and what software programs they use. References based upon experience are your best source of information. In most cases, it's suggested to select your software first then buy the hardware so they're compatible. You may also decide to talk with a retail-savvy software consultant to help guide you through the process.

Here's a checklist of just a few of the software capabilities of point-of-sale (POS) systems:

- Replaces a cash register—calculates change, sale prices and discounts
- Manages inventory—generates purchase orders and alerts you when stock is low
- Sales analysis—provides sales reports to track selling history of products and vendors
- Customer relationship management—database of customers' demographics and sales histories
- Accounting—general ledger, accounts receivable and accounts payable, budgeting and forecasting, cash management
- Payroll—tracks pay rates, hours worked, vacations, payroll tax reports
- Tax preparation—calculates business tax returns, provides internal auditing
- General reporting—creates reports based upon specific queries
- E-commerce—charge card processing over Internet, selling merchandise on Internet



With bar coded tags and wireless inventory tracking, store employees can keep a constant tally of what's in stock, so they can order inventory efficiently and effectively.

first-time riders to sign up online and get a discount coupon from the store for their initial equestrian purchases.

Customer Relations Management

Every month Olson-Mills sends out an e-newsletter to its customers, using the database from the POS system. It's short and to the point, communicating one topic in just a few paragraphs. "We know people are really busy and they might take one to two minutes to read an e-mail from us, so we keep it brief and focused out of respect for their time," says Akers.

Last fall the store did an online questionnaire, integrating the POS database into its website. Akers notes that it was one of the best customer-feedback tools he's ever used. The survey questions were sent to the full customer list, asking specific questions about how Olson-Mills could improve its shopping experience, both in the store, in the mobile unit and on the website. The tack shop offered a \$10 coupon to every individual who filled out the questionnaire. Akers and Weatherholtz were surprised that more than 30 percent of customers responded.

"It was worth every cent of the coupon money offered to gain the insights and information we received

from our customers," says Akers. "In some cases the sheer honesty of the feedback was hard to hear, but ultimately their comments have made us a better store." Customers gave suggestions about products, store layout and flow, signage, hours and other valuable input. Without the ability to send and receive the questionnaire online, Akers says he didn't think he'd have gotten as much of a response.

Another improvement in efficiency the system provides is in tracking customers' histories. As an example, if a customer forgets what size they bought before, the staff can look it up. "This is really useful during the holidays," says store manager Heather Courtney. "If a husband comes in wanting to purchase something for his wife, we can let him know what size she wears in her favorite breeches. Or if someone wants to purchase clothing for their trainer, we'll know their trainer's size."

The POS system allows items to be scanned and totaled instantly, speeding customers through the checkout process and eliminating long lines, even during large storewide sales.

Of course, it doesn't hurt that Olson-Mills is in Microsoft's backyard. The techno giant has certainly played a role in convincing Akers of the



The scanning system is connected directly to inventory control. Every item is tracked and reorders can be placed instantly, cutting down on out-of-stock items.



The store's proximity to Microsoft headquarters equals tech-savvy customers. They expect quick, efficient and high-tech service.

need for such a high-tech investment. Many of the store's customers work at Microsoft headquarters and are very tech-savvy. They expect their sales experience to be computerized, quick and efficient.

On-the-Go Wireless

That expectation from customers applies to the mobile unit too, which travels to all the local and regional shows. At the beginning of the summer it went wireless. The POS software is downloaded via Internet onto the laptop in the mobile unit. That way the staff working in the unit knows inventory levels both onsite at the show as well as what's in the store. If a customer needs a specific item but it's not in the mobile unit, the staff can pick it up that night and have it for the customer in the morning.

The wireless technology allows the staff to run credit cards quickly and efficiently. With a receipt printer, every transaction happens quickly and accurately, eliminating the long wait customers used to experience when sales receipts were handwritten.

With all the changes and additions to its technology, Olson-Mills isn't done—far from it. The team is constantly looking for ways to improve its customers' experience on all levels.

Does Akers have advice for other retailers about to enter the world of high-tech? "First, don't be afraid of computerizing. In the long run it will make your life so much easier, saving you time and money."

"It's also very important to do your homework and thoroughly check out the references for the POS software company you're interested in working with. Ask the references what unexpected expenses came up and how the customer service and technical support has been. Once you buy the system, this company becomes your business partner. You want assurances that they're solvent, reliable and will be there for you when you hit bumps along the way."

Retail Pro backs up all of Olson-Mills' information every night at midnight. Akers sleeps like a baby as a result. And the recipe box? "Well, it's been retired from the shelf in my office and has finally moved home to the kitchen!" ■

Christina Pivarnik is a freelance writer based in Port Townsend, Wash. She's owned her own business for 15 years, working as a marketing and public relations consultant. She also works part-time for Kerrits Equestrian Apparel in marketing and sales.

retailer resources

Sources for POS systems currently in use by some retailers in the equestrian industry:

Big Hairy Dog: Retail Pro

Sacramento, Calif.

800.377.7776

www.bighairydog.com

\$8,999 (includes software, hardware, installation, training & support for one workstation)

Specialized Business Solutions:

Keystroke

Dillon, Colo.

800.275.4727

www.keystrokepos.com

\$1300-\$5000 (software only)

Microsoft: Dynamics Retail Management System (RMS)

Redmond, Wash.

888.477.7989

www.microsoft.com/dynamics/rms/

QuickBooks:

QuickBooks Point of Sale

866-379-6636

www.QuickBooksRetailers.com

CUT FROM THE GREEN CLOTH

Four Producers Dig Deep To Find Eco-friendly Fabrics

BY AMY SEIGEL



The G.R.A.S.S. line isn't just about green fabric. Kerrits uses green manufacturing processes to produce the garments.

Are you tired of it yet? It's the new black, the new buzzword, and the biggest marketing catch phrase to hit the retail world since "dot-com." Even the oh-so-haute designers had to create green fabric cocktail dress for their models during a recent episode of TV hit "Project Runway."

For whatever reason, however, the equestrian industry has been a little slow to hop on the Big Green Bandwagon. Then again, when you're talking about an industry as steeped in tradition as ours (just think about all the controversy surrounding those bejeweled brow bands!), it stands to reason that even a trend as red-hot as going green might take a little time to catch on. Add in the fact that—let's face it—the horse world isn't exactly the most eco-friendly one around (we use gas-guzzling trucks to pull our big-rig show trailers, ultra-insecticides to keep those pesky flies at bay, and buy leather products by the armful), and it begins to make sense that even if horse owners are ready and willing to go green in other aspects of their lives, incorporating eco-friendly practices and products into their horsey habits might seem like a lot to ask.

Nonetheless, the equestrian apparel business is falling into step with other industries—from fashion to food and housewares—that have already begun to realize just how rewarding, and profitable, saving the planet can be. Within the past year, several equestrian apparel companies have rolled out

new lines featuring all the latest and greatest in environmentally friendly fabrics, and a small but ever-growing number of equine industry manufacturers have decided there's no reason a go-green commitment has to stop at the stable door.

For the forward-thinking designers at Kerrits, Moxie Equestrian, Ariat and the newly launched Latigo Equestrian, developing eco-friendly lines and designs that incorporate sustainable, earth-friendly fabrics is not just about making a fashion statement. It is rather a statement about the power manufacturers have to change the face of fashion—both equestrian and otherwise—to a softer, "greener" hue.

The G.R.A.S.S. Really Is Greener

Debuting this past spring, Kerrits' G.R.A.S.S. collection is dedicated to providing equestrians with an environmentally friendly alternative for riding apparel. Developed by the women of Team Kerrits (led by Kerri Kent), G.R.A.S.S. is all about working toward fully sustainable apparel manufacturing practices—from eco-friendly, organic and recycled fabrics to low-impact shipping methods and green office policies. "Our hope is that G.R.A.S.S. will revolutionize riding clothing for the future by striking the perfect balance between style, sustainability and function," says Kent.

"With every aspect of G.R.A.S.S. we're trying to achieve sustainability,"



"Right now, [G.R.A.S.S.] is a very simple line comprised of seven pieces," says Kent, "and we're only selling it through retailers that have a real interest in environmental issues and long-term sustainable practices. We're not really interested in putting it everywhere and having it not really represent our views. We're interested in educating people and making a statement about how we can change things, and that we have a choice to make changes that will impact the future of our world."

Indeed, Kent hopes that G.R.A.S.S. will set an example for other manufacturers, because, she explains, "the more companies commit to going green, the more options we'll have, and the easier and more affordable it will become." To that end, says Kent, "I'm willing to help other manufacturers and would be happy to share all of my information on fabrics and suppliers with any other manufacturer that's interested in pursuing adding environmentally friendly fabrics to their line. I'd really like to see more people doing it, and more riders educated that they have a choice, and that's maybe worth spending the extra couple of dollars (because it is more expensive right now) to buy green."

explains Kent. And from the recycled polybags the company uses to ship its garments, to seed-paper (which you can plant) labels printed with vegetable-based ink, every element of the manufacturing process is geared toward maximizing style, beauty, and functionality while minimizing environmental impact. And perhaps most importantly, Kent says that the company is working hard to manufacture everything domestically. "That way we avoid unnecessary shipping—something that produces one of the largest carbon footprints of any element in the manufacturing process."

While Kent notes that she's been passionate about going green for several years now, she felt that simply introducing a couple of eco-friendly garments into their existing Kerrits line just didn't make enough of a statement. "It wasn't really quite good enough to use organic cotton and then put it into a plastic bag," she explains, "so we wanted to make a whole separate line with a separate image (really a separate company) so that we could work on developing new products and even a new and different customer base."

Along with eco-friendly manufacturing, packaging and shipping, Kent is also determined to incorporate sustainable practices into her company's day-to-day operations. "We do a whole variety of things—from putting recycle bins right in front of everyone's desk, to e-mailing statements and internal memos, to giving away gas cards as an incentive for employees to carpool or ride their bikes to work—we tried to look at every aspect of our company and figure out ways to be easier on the environment."

The company has also joined forces with its 1% For the Planet partners to make a positive change for the environment. 1% For the Planet is a growing global movement of 768 companies that donate 1% of their sales to a network of more than 1,500 environmental organizations worldwide. "Everyone can make a choice and everyone can make a difference. Every little thing counts, and that has to be the message," says Kent.

Earth-Friendly Style with Moxie

A relative newcomer to the equine fashion scene, Greenville, S.C.-based Moxie Equestrian is an all-female company composed of horsewomen, championship riders and designers



Moxie is one of the first companies to use bamboo fabrics for horse, and human, clothes.