HOW TO SMOOTHLY TRANSITION TO POS SOFTWARE

By Ken Baur

You've decided to do it: you're leaving manual pricing charts behind and heading into the digital world of pricing custom framing. This transition brings your company many new benefits, including automatic cost updates, the ability to store the details of each order, increased communication with production, access to complete customer information, and even valuable marketing data—all at your fingertips. Like any major change, transitioning to a digital point-of-sale system takes careful planning and preparation. Let's look at some of the things involved in making this a smooth transition for your team and your customers.

The first step is to pick the right system for you. Each system has slightly different features and benefits. Customer support, ease of use, reporting, and training programs are all very important considerations. In the beginning, you will have many questions and need some good help getting started. It's vital that you are comfortable with the type of support you will receive. Many of today's systems have extensive video training available to cover a wide range of procedures and set-ups. Look for a system which gives you the ability to train your team and find answers quickly.

Some systems will seem more intuitive than others. It's more of a personal preference, but an important part of making the right decision. Find out what reports are offered and what kind of data you will be able to retrieve. One of the greatest assets of a computerized program is the ability to use the data it collects to help you make better buying and pricing decisions, or communicate more efficiently with your customers. Most systems offer you the ability to download trial versions of the programs to get insight into how they work. However, undoubtedly the best way to select the right system is to attend an industry trade show like the West Coast Art and Frame Expo (wcafexpo.com). At the show, you can compare each system, get live demonstrations, take classes from the actual manufactures, talk to other owners of the programs, and ask all the questions you want. You may even find a show special which offers substantial savings.

Next, it is time to determine what type of hardware you will need to support your new software program. The most important thing to acquire is a strong internet connection. Cost updates and other system updates will arrive as downloads, so having a powerful internet

signal is one of the most crucial parts of using these systems.

The computer you use does not require a large amount of memory, as these POS systems are not huge files and you should be able to host them on a very moderately priced computer. You will have the choice of using an Ethernet connection (hardwired Internet hookup), or using laptops and even tablets for order-taking if you choose a wireless connection. Also, think about how many order-taking stations you need to accommodate your customer traffic. In some systems, you cannot easily interrupt a sale in progress to access information for another customer who is picking up their project. While a second or third POS station is not free, the cost is much lower than the subscription to the main server. Most the time it will work to share one printer for multiple order-taking stations.

Some systems offer you the option of connecting your charge-processing machine directly to your POS system, which can be a very efficient option. Finally, consider a scanner at each order taking location. If you scan the bar codes on the backs of your mouldings and mats, it will speed up order taking and minimize data entry mistakes.

So, you've done your research and found the best system for your company, and have ensured your shop is equipped with the right hardware to accommodate the new software. Now comes the fun part—setting up your system for order taking! You'll start by configuring the basics (entering sales tax information and other basic preferences). These systems have videos and user manuals to guide you in the process. If you have further questions, you can call the company's technical support for help.

Before you can begin taking orders in the new system, you must set up your pricing tables. Yes, the tables do come preloaded—something called default pricing—but preloaded pricing may not be the correct pricing for your company. Setting up the pricing tables correctly is essential to the profitability of your business. These are the major pricing categories included in your POS system:

- Moulding (frames)
- Matting
- Glazing
- Mounting
- Stretching
- Specials or miscellaneous charges

Most systems calculate your retail prices by taking the cost of a material (updated and downloaded in your system) and multiplying that cost by a number you place in a pricing

table for a selected material (like frames or mats). You can use different multipliers for different cost ranges. A general rule for setting up these pricing tables is to use a lower multiplier as the cost ranges go up.

Here is an example of what a moulding table might look like. (Note: These are hypothetical figures meant to demonstrate that as cost ranges increase, multipliers used should decrease. This example is not a recommendation for setting up any pricing table.)

Cost Range	Multiplier
.01-1.99	5.3
2.00-3.99	5.1
4.00-5.99	4.9

Typically, these systems allow you to price moulding according to how you purchase it. If you primarily purchase length moulding, for instance, you would create a pricing table with higher multipliers than if you purchased chop or joined moulding. That is because although length moulding is cheaper to purchase than chop or joined, the labor to cut and assemble frames must be factored in. In addition, today's POS systems allow you to compensate for waste and freight. You can also manipulate pricing according to individual vendors so you can recoup higher shipping costs or other factors that make a moulding more expensive.

It is also important to ask how your new system calculates matboard pricing. Matboard has the highest amount of waste of all the materials used in framing, and most shops fail to compensate for this. Understanding how the system calculates the retail price of a 16″ x 20″ mat will help you understand more about setting up your pricing table. Many systems allow you to make sure that you never set a retail price below the cost of any size of matboard. That is an option that should be activated. In addition, you can set a minimum footage for pricing frames so you don't lose money on very small frames. These types of safeguard features make it much easier to stay profitable.

When you set up pricing for labor-dominated areas like mounting, stretching, and special areas, you will have the option of pricing by united inch, square inch, or by the unit. This will be very similar to the way you probably set up your manual pricing tables, so it should a bit easier to set up these areas of the pricing.

Once you have your pricing tables set up, try running several tests. Price out a project using your old manual method and then enter the project into your new POS system and compare the results. If you need to raise or lower

certain parts of your pricing, you can isolate what the system charged for each material or labor process in the project and rework your pricing table.

For the first few weeks, continue to take customer orders with your manual system and then replicate the order on the computer after the customer leaves. If you continue to correct the pricing tables, you should soon be very close to the manual pricing you have been using. Just remember that your new POS system will be using updated and more accurate costs, while most shops never take the time to update costs manually; that could be the reason why your new computerized pricing is coming out higher. The message here is your old pricing could be wrong for your profitability, so this could be the perfect time to rework the margins you are using and set the new pricing tables accordingly.

Once you are satisfied with the pricing, it is time to train your team on how to use the system. This is also the time to commit to the system and never look back! Put away the manual pricing charts and use your new system on each and every order. Within three months you will wonder how you ever lived without it.

In addition to limiting pricing mistakes, reducing order times, and improving the flow of materials through production, many POS systems make it possible for you to track marketing data and customer preferences. Most systems allow you to "label" every customer so that you can track how many new customers find your shop each month. By making it mandatory that each customer be coded when orders are placed, you can track how each new customer finds you and how much they spend. This type of information is very valuable because it allows you to determine if a certain marketing investment is resulting in tangible sales.

Although moving from a manual pricing and order processing system is intimidating, the benefits are substantial. If you plan carefully, purchase a well-supported program, and take time to configure the system, set up pricing, and properly complete orders, the transition will be much less stressful than it seems. I have no doubt that you will be pleased with your new system in a very short time. **PFM**

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Ken is president of KB Consulting, a business helping framers with pricing, profitability, website development, e-mail marketing, gallery display, statistical analysis, team growth, and sales programs. In addition, he is a featured writer for PFM and conducts numerous seminars for The National Conference, industry open houses, and national conventions.