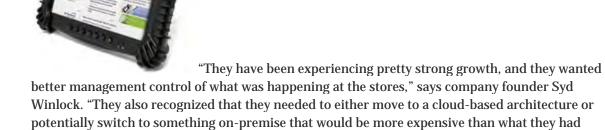**Magazine Article | May 20, 2013**

Take POS To The Cloud

By Brian Albright, Business Solutions magazine.

Moving its customers to a cloud-based POS model has boosted revenue for this VAR.

The transition from on-premise point of sale (POS) solutions to cloud-based systems can be intimidating for both merchants and their POS VARs. But Elk Grove, CA-based POS reseller Win Systems has successfully transitioned one of the company's long-term customers to the cloud and, in the process, created an excellent reference account that has helped sell other clients on similar solutions.

Lemos Feed & Pet Supply, a specialty pet supply retailer with 14 locations throughout California, has been a Win Systems customer for nearly 15 years, running the Keystroke POS solution. Two years ago, Win upgraded the company to a cloudbased implementation of Keystroke.

"They have been experiencing pretty strong growth, and they wanted better management control of what was happening at the stores," says company founder Syd Winlock. "They also recognized that they needed to either move to a cloud-based architecture or potentially switch to something on-premise that would be more expensive than what they had already, to accommodate that growth."

The client did have reservations about moving to the cloud. "There was a lot of trepidation from the owner," Winlock says. "He was worried about what would happen when the Internet went down and what kind of guarantees I could give him. This was one of the few times I really had to give my personal guarantee that this would work, because I knew it would. They had a strategy for growth, but they needed to control their costs."

The transition to the cloud took about 90 days. "The most challenging part was just getting the local routers configured correctly and online," Winlock says. "The database and POS portion took very little time."

One immediate benefit was that the new server structure gave the client redundancy that wasn't previously possible and improved system uptime. "They were down maybe two days in the past 18 months," Winlock says. "Before, when they had servers at their offices, they had weekly outages."

Lemos has also been able to make additional changes to its POS strategy, including making it possible to begin testing a mobile POS system using tablet computers at the stores. Winlock says this will help the company reduce its hardware footprint, while providing better customer service.

Lemos uses Mercury Payment for payment processing services, in conjunction with the Keystroke system. The stores currently have two Dell Wyse thin-client POS stations with dual monitors and Topaz Systems signature pads, along with IP-based Epson TM88 printers. The dual monitors have allowed the company to deploy a digital signage solution using the SBS Digital Sign Controller. Because the stores use a published apps model (the application is run on the server rather than on the local hardware), costs were lower and the implementation was much simpler.

"This is where published apps really made the sale," Winlock says. "Using this methodology, we did not have to install additional hardware for the additional remote location screen. We are able in the Digital Sign Controller program to dictate which monitor to use, and the end users only have to open the program at the beginning of the day."

Each store also has a digital security camera system, which is integrated with the POS. Each transaction is sent to the camera and saved on the DVR locally. Win Systems also has remote access to each store's DVR.

Cloud Enables Mobile POS
The next phase will be the completion of a tablet-based mobile POS solution. Right now, Lemos is testing DT312 tablet computers from DT-Research (which include 2D bar code scanners and magnetic-stripe readers) as well as some Android-based tablets to both augment and, in some cases, replace existing POS stations.

"They originally started using them for inventory transfers and receiving," Winlock says. "They have their own delivery trucks, so they are using the tablets to do all of the receiving wirelessly."

The goal ultimately is to reduce the number of POS stations at each store. "They are more of a boutique type store. They serve smaller communities, and they depend on their employees walking the floor and interacting with customers," Winlock says. "With the tablets they can carry the computer with them, scan large items when necessary, and complete transactions on the floor."

Where the tablets are concerned, Winlock says the biggest obstacle has been making sure employees don't lose the devices. "They can't just put the tablet down and walk away," Winlock says. "We've lost some tablets because they set them down and forgot them. We've put locators on all the tablets, which has helped."

There are 20 tablets in place at the stores now, and the mobile system is expected to go live in June. "In most stores, they have two POS stations," Winlock says. "The goal is that each store will have one fixed station and two tablets moving forward."

Win partners with a third-party company to provide hardware for its clients. While the notion of reducing the hardware footprint may seem daunting to VARs that rely on hardware revenue, Winlock says this approach is not only improving his client's business, but providing a reliable source of revenue through services and consulting for both Win Systems and the hardware partner.

"I never wanted to take on hardware. I help my clients manage their business, not just their POS functions," Winlock says. "Now that we have a workable, reliable system, how do we look at the data coming out of it, and what can that tell us about running your business? It's really increased my income, because I'm doing more consulting work."

Before, Winlock says he spent a lot of time dealing with nuts-and-bolts problems like printer issues. "If we're working on generating useful reports from the POS system, that to me is more productive," Winlock says. "And they are a happier customer."

Having a centralized view of the entire POS infrastructure has helped Lemos get a better handle on its inventory. "They can evaluate the entire company now, not just the data coming out of single store," Winlock says.

Because the stores are spread across the state, each location has slightly different clientele and inventory needs. Thanks to the data being generated out of the cloud-based Keystroke system, Lemos can see where demand for certain products (say ranch and feed supplies) may be stronger than domestic pet supplies, and then reallocate inventory to match that demand. "They are able to look at that information quickly, and they don't have that dead inventory at the stores," Winlock says. "They've been able to reduce inventory about 12%, which has provided a big savings for them. They've also been able to reallocate manpower on the inventory management side because they have better information now."

Winlock has used Lemos as a reference to help deploy similar systems for three other clients. The company also plans to sponsor a Win Systems server, so that clients can rent space on the company's servers, and Win will manage the application upkeep. That will also provide new revenue opportunities.

"Moving to the cloud has reduced my face-to-face time with the customer by about 70%, but most of that time was spent driving to locations and dealing with hardware issues," Winlock says. "They are enrolled in our service program, and they use those hours, but they are better-served hours because I work directly from my office. It's also made Lemos more independent. They have a better understanding of how the program works."

Coming up, Lemos plans to distribute its own branded pet products, and Win Systems will help them set up their distribution centers and online ordering functionality. "I don't sell them on the benefits of the POS; I sell them on how they can find new ways to manage their business," Winlock says. "If you work with me, I will help you set up the system so you get the most out of the data being generated, and I will be there as you develop that data over the years. POS is really an entry point in your overall business."

www.winpossystems.com
www.keystrokepos.com