



PALADIN

DATA CORPORATION

We Make Stores Run Better.

Fall 2010

Paladin Think *POSitive* Newsletter

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PRESIDENT'S CORNER



Most of us are familiar with Albert Einstein's definition of insanity, which is "doing the same thing over and over again and expecting different results." On both a personal and professional level we have a tendency to justify our insanity by falling back on the tried and true, "that's the way we've always done it" as a reasonable explanation.

As we scratch and claw our way out of what are the most devastating economic conditions since the Great Depression we have to look at each and every function of our businesses and honestly evaluate the sanity or insanity of our efforts. We cannot do the same things over and over again IF those practices are failing to achieve the desired results. If we're not getting the results we want in the areas that matter most to the bottom line it's critical we address the problem and make a strong, unwavering commitment to change. If there is a silver lining to the economic challenges we are facing it's that all of us have had to learn to innovate and adapt to change in order to survive.

Our powerful POS solutions are wonderful ways to adapt to a changing market place. We can provide you with a powerful tool

that enables you to do more with less, find efficiencies, increase profits and margins, and improve customer relations. We're confident when we say "We Make Your Store Run Better." And we're proud of the fact that "business as usual" and "that's the way we've always done it" are not a part of our vernacular at Paladin. Insane, huh?

UPCOMING EVENTS

ACE Fall Show

October 28, 2010 Orlando, Florida

Orgill Spring Show

February 25, 2011 Orlando, Florida

Washington State Pharmacy Association

November 6, 2010 Vancouver, Washington



ANNOUNCING: ACE REWARDS

Paladin Data Corporation recently announced that the Paladin Point-Of-Sale solution has been certified and approved to accept ACE Rewards, and provides the more than 4,500 ACE hardware stores throughout the United States with an affordable, easy-to-use POS option that until now was not available. "We're excited to be able to offer our many ACE Hardware store partners the ability to accept and easily process the ACE Rewards program through our point-of-sale system," said Dan Nesmith, President of Paladin Data Corporation. George Dickson, from Berkshire Ace Hardware says, "Since I switched POS Systems and started using Paladin's solution with the Ace Rewards component, my operation has been streamlined to the point I have to look for things to do."

The ACE Rewards Program offers a variety of benefits to customers who have enrolled in the program including points for purchases that can be used as cash, special member only offers, every day in-store discounts, advance notice on super sales and online rebate submission.

PARTNER UPDATE: PK SOFTWARE

Paladin Data Corporation has partnered with PK Software Inc. to integrate the Paladin Pharmacy POS system with PK Software's Compounder RX. PK Software provides two main products, The Compounder RX® and The Compounder Lab®. The Compounder Rx is designed from the ground up to be the only software that a compounding pharmacy will need to manage their prescription processing. The Compounder Lab helps compounding pharmacies manage formulas, logs, chemicals and many other important items related to compounding. Paladin is excited about this relationship and highly recommends PK Software to our compounding pharmacy customers and prospects.

PALADIN POS ENTERPRISE REPORT CARD

Over the past 8 months Paladin's Enterprise Solution has been installed and running at over 15 stores across the US. Although Paladin has been feverishly working on enhancing the product, the fundamental infrastructure has proven to be of enterprise level dependability. Two exclusive Paladin Enterprise features that are the driving forces of this exciting new solution are the **Active Inventory Management (AIM)** and the **Real Time Virtual Server (RTVS)**.

The **AIM** function of the Paladin POS Solution provides an easy-to-use and transparent view of your entire retail operation from ordering, to point-of-sale, and customer transaction history. **AIM** allows you to streamline and reduce operating costs in virtually every function of the business.

RTVS is the engine under the hood of the multi-store Enterprise Solution. **RTVS** allows you to have real time access to your retail operation, enterprise wide, without the complexities you would expect in an enterprise package.

Here is what Stew Weis had to say when asked about the Paladin POS Enterprise Solution: "The Paladin Point-of-Sale (front-end) is magnificent. Cashiers love it. Even customers love it. The checkout process is as fast and efficient as any you'll find. New cashiers get up to speed in less than an hour. This is a big win."

"Even more impressive is the Paladin stock replenishment engine. This component of the Paladin Enterprise System is the one that required perhaps the greatest "leap of faith". You see, their reordering engine is a bit of a "black box". One does not really know what's going on inside it. All I do know is that the algorithm for reordering is far more complex than all of the POS

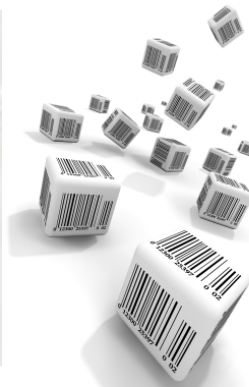




competitors combined. Yet we are truly impressed by how well it is maintaining our stock levels as it handles everything from our largest store down to our smallest store."

TECH TIP - THE DEVIL IN THE DUMP SKU

What is a "Dump SKU"? Basically, it's a "catch all" inventory item entry that is primarily used for two specific reasons; One: as a rollup sku for bulk commodity items like fasteners or nuts & bolts. Two: new items that have not yet been added to the inventory system. For example: If you have a new item that was not added to the inventory and it doesn't scan at point of sale, you can either rapidly enter it into the inventory database, or enter a dump sku item with a part number such as "MISC TOOLS" and then manually enter a price.



Dump SKU's definitely have a place in your inventory. However, they can also be abused and potentially cause havoc on things like your daily sales reports, margins, stock replenishment and price controlling. In other words, **there is a right way and a wrong way to input these Dump SKU's into your inventory.**

When considering your Dump SKU strategy, it is important to know and recognize how these items may affect your back-end sales and reporting operations. When adding Dump SKU's to your inventory, you'll want to understand the required fields and data elements that will enable you to achieve maximum benefit from these entries. Following are the required fields and suggested input:

Part Number – invent a part number that is short and easy to remember.

Alternate Part Number – associate other codes or names that may apply or be easily recognized or recalled by your cashiers.

Description – create a description that makes sense to you and your customers as it will appear on reports and the customer receipt.

Cost – enter a cost of zero.

Retail Price – enter your sell price or zero. (As an option you may consider entering a large figure here. This way it will be less likely that the item will leave your store without a price as the customer will most certainly notice the large price if your cashier forgets to change the price).

Department – A department is required and should be relevant to the intended dump sku item. It is customary to create a different dump sku for each department.

Reference Margin – A reference margin is recommended when no cost or price is entered to the inventory sku. Enter the expected or anticipated margin for each dump sku. The reference margin calculates a fixed margin when a price is entered at point of sale. This will keep your margins intact even when using dump sku's.



SOLUTION HIGHLIGHT

Unveiling Non-Standard/Undocumented Reports

Paladin comes with a broad range of standard reports. Most of these reports allow for a wide range of customizable criteria, including date range, part number range, class range, sub-class range, location range, supplier range, etc. These reports are extremely straightforward and easy to generate in Paladin POS.

Occasionally Paladin receives customer requests for ranges or criteria that are outside of the normal search parameters. Following are 3 examples of undocumented criteria that many customers have found to be useful:

1) One undocumented report is the “Suggested Order Report” under the Reports/Inventory/Purchase Order section. The Suggested Order Report normally has two functions; One: to generate a report of items that are needed for restocking to the required levels. Two: creates and generates a purchase order of items matching your selection criteria.

Many Paladin customers have found other uses for the format of this particular report, but didn’t necessarily want it restricted to items needing to be reordered. Therefore, Paladin created search criteria that bypassed this limitation. In order to print a report that leverages the Suggested Order Report format, (without limiting it to items needing to be reordered) simply type “**ALLITEMS**” (without the quotes) in both the beginning and ending “Part Number” field.

Other report settings for selection criteria and sorting options still apply. **PROCEED WITH CAUTION:** Since this report is not restricted to reorder items only, if limiting selection criteria is not applied, you will be likely to generate a report for your entire inventory. So, it is highly recommended that you limit the search

criteria to department, supplier and/or class at a minimum.

2) Another undocumented report is the “Itemized Tax Exempt Transaction Report”. This is found within the Transaction Report under Reports/Sales Analysis/What I Need to Know/Transaction Report. This report enables you to print specific invoice detail with tax exempt and non-taxed items.

To generate this report, enter the word “**TAXEXEMPT**” (without the quotes) under the “Customer Name” field of the report selection window. Just like many of our reports, this report may be limited to certain criteria including, dates, part numbers, suppliers, customer accounts, invoices, etc.

3) The third undocumented report also leverages the Transaction Report and is used for creating a “Stop Meth Log” report. If you are a retailer that is required to disclose details of customer purchases to government agencies and/or personnel and you don't want to (or are not allowed to) disclose details of the customer's purchase other than the mandated specific products, then this report will be meaningful to you.

Paladin invented a feature that will mask or hide all the rows of data that are not listed as stop-meth sensitive items. All note fields will display along with the customer's ID, payment type, amount and signature. All that is required to use the new feature is to specify the date range, department and/or class range (for the stop meth triggers) and enter the phrase “**MASK**” (without the quotes) into the “Customer Name” field of the report selection window. Paladin POS will then produce a Stop-Meth log report.



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