



# PALADIN

## DATA CORPORATION

We Make Stores Run Better.

## Summer 2011

### Paladin Think *POSitive* Newsletter

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#### PRESIDENT'S CORNER

We've all heard the term **"you are the product of your environment."** Whether you like it or not, it describes the situation for most people pretty accurately. Virtually all we do, think and feel is directly or indirectly dictated by our environment.

For many, the business environment we've lived within during the last few years has changed our forward thinking, entrepreneurial attitude of the early to mid-2000's to a much more conservative, survive the day type of approach. Our attitudes have adapted and become a product of the current environment.

This reality prompted me to re-read the book "Winning Every Day" by Lou Holtz, the magnificently successful former head football coach of the Notre Dame Fighting Irish. While football analogies are plentiful in the book, one can easily apply the principles Holtz outlines to create an environment that is based on winning rather than simple survival.



In the book, coach Holtz shares the 10 steps he's used throughout his adult life to achieve success on a personal and professional level. I won't cite all of the steps, but his first is the basic foundation for winning, which is "The Power of Attitude." In the accompanying narrative he describes how his successes and failures as a coach can be linked directly to his attitude and the environment it created. It's a great read, and I can almost guarantee you'll come away with renewed vigor and focus.

**Bottom line is, if we do by default become a product of our environment, let's make sure the environment in which we live and work is the one that allowed us to achieve our greatest successes.**



## BENEFITS OF LOYALTY REWARD PROGRAMS

Market research states that it is more expensive to gain new customers than it is to maintain existing customers. Implementing a customer loyalty program is a cost effective method for retail stores to tap into their existing customer base, as well as attract new customers.

The principal reason and main advantage to adopting a customer loyalty program is the ability to provide directed marketing campaigns to your audience. Customers are encouraged to join the program to receive cash rewards and in return they voluntarily provide you their contact information. This contact information is perhaps the most valuable asset in your store.

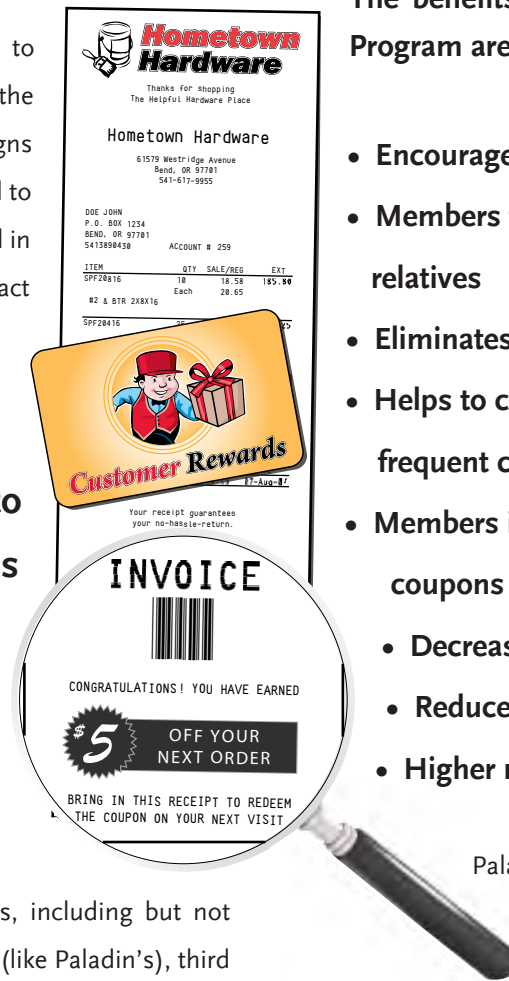
**“Loyalty programs help to strengthen customer relations and create a positive reinforcement that can keep customers from switching to the competitors.”**

There are several types of loyalty programs, including but not limited to, embedded POS loyalty programs (like Paladin's), third party standalone terminals, internet based, card based, supplier/manufacturer based, etc. Paladin's Rich Rewards Program is available to Paladin customers and it works by automatically tracking customer purchases. The store manager sets a percentage of sales and Paladin POS maintains the reward

levels and issues a credit to customers on the spot, during checkout. The reward is automatically printed on the bottom of the customer's receipt and may be redeemed during a future sale simply by scanning the barcode on the receipt.

The benefits of the Paladin POS Rich Rewards Program are as follows:

- Encourages customer loyalty
- Members tend to tell their friends and their relatives
- Eliminates the need to distribute coupons
- Helps to convert infrequent customers into frequent customers
- Members increase spending when redeeming coupons
  - Decreases defection to your competition
  - Reduces the need to offer discounts
  - Higher marketing response levels



Paladin POS customers can run comprehensive reports to see who their most loyal customers are, where they live, how often they shop and what products they buy. This data can be used to send out targeted marketing pieces like flyers, postcards and emails. This will ensure that marketing dollars are not wasted but used to increase your store's profitability.



## HABIT VS GOOD BUSINESS PRACTICES

-BY JEREMIAH COOPER

I keep my keys in my right front pocket. I don't remember putting them there, yet at the end of the day I always find them there. Habits are routine behaviors that often go unnoticed by the person doing them. Sometimes they can be destructive and other times help prevent you from locking yourself out of your car. Business, as like life in general, can produce both good and bad habits.

Now let's say I no longer own a car, would I still put the car keys in my front pocket? Well of course not. Now if one day I slide the car keys into my front pocket, I would take a moment, pause, and ask myself "why did you do that", then shake my head and think "I no longer need THAT key". Routines

in business sometimes need the same head shaking moment. Especially in this market that is changing so fast on many different venues. Not more than two decades ago all a business needed in order to be successful was a big colorful sign in front and maybe an ad in the local Sunday paper. Fast forward to present day and now you need a web site, face book page, online store and an email account just to keep up.

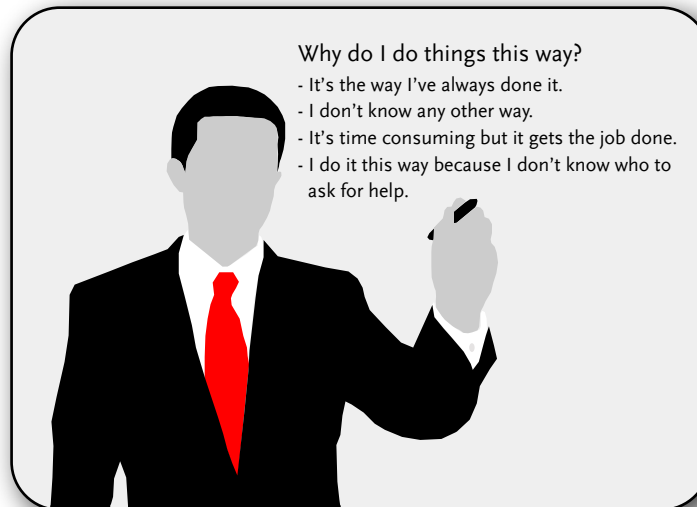
With these quick advances in business communications the owner has to be on constant watch for processes and procedures that may have become obsolete. Basically we have to channel our inner 6 year old and ask the hard question, why? Ask yourself or just hang around with a 6 year old for about 20 minutes and you will get the question, "why do you wear that hat" or "why is a manhole cover round" or "why does a dog have a tail". Eventually you just

give the answer, "because that is the way it is" and while this might satiate a 6 year old on trivial things, it might be a warning sign for a business owner.

Obsolete processes come in all shapes and sizes and you need **three** things in place to identify the ones that need the most work. 1.) Write down your existing business processes and make sure to detail what is involved and how the process is completed, adding what systems are used is also instrumental.

Once you have written down all your processes you are ready to review and potentially optimize

them. 2.) The people who can help you with this the most are your own employees. If you would like to know how the battle is going, ask the guys in the trenches. They are the people practicing the methods you put in place and they are the most qualified to give you best suggestions on necessary process alterations.



3.) The most important attention should be focused on automating "mission critical" processes. The Combine, invented by Hiram Moore in 1834, took three repetitive processes and combined them into one efficient machine; thus saving time, money and man power for the farmers who used to have to do these by hand. Since the invention, farmers can harvest a much larger field and increase profits many times over. Like the Combine, today's technology can help you automate repetitive tasks, allowing you to pay more attention on how to best automate your business.



## SIMPLIFYING THE ORDERING PROCESS

Sam comes in early every morning to determine what he needs to restock his store for the following week. On the day of ordering, he walks every aisle and makes the rounds in the yard a final time, documenting what he needs to order on his “want list” he has fastened to his clip board. Most of Sam’s decisions are based on the “shooting for outs” method and calling on his several years of experience, to order just the right amount. He also checks with his store managers for input but most of the ordering is based on his own gut feeling.

About an hour from his supplier’s ordering deadline, and after spending the majority of the day (or week) best-guessing his replenishment stocking levels, Sam calls up the supplier’s website and keys in his items and quantities into the online order form. This order process is repeated every week and takes the better part of the day at the store to complete. Sam wonders if there is a better way so that he can spend more time building better customer relations.

Does this scenario sound a bit too familiar? Implementing an automated Point-of-Sale solution like Paladin has many advantages as it gives customers multiple options as to how orders are processed based on their own comfort levels. An automated process can reduce the ordering time to less than 1 hour a week.

**The 3 most common ordering methods are as follows:**

- 1. Let the computer order for you using the Suggested Ordering System.**
- 2. Build the P.O. in real-time while walking your store using the RF Gun.**
- 3. Build a P.O. directly in the PO module on the computer.**



With any of these methods, the orders are sent directly from the POS system to the supplier using EDI (electronic data interchange) functionality. In other words, no duplicate keypunching or inputting is necessary.

Simplifying the ordering process is only one advantage of an automated POS system. An even larger amount of time savings can be accomplished on the receiving side. POS systems will automatically augment your stock on hand and adjust your pricing, keeping better control of your inventory and automatically maintaining your margins. All of this sets the stage for freeing up your time, better customer relations and higher profits.

## UPCOMING EVENTS

United Hardware Distributing Co. Fall Buying Market  
June 16-19, 2011 Minneapolis, MN

House-Hasson Hardware Summer Dealer Market  
June 23-25, 2011 Atlanta, GA

Handy Hardware “50th Anniversary” Fall Market  
August 18-20, 2011 San Antonio, TX

Orgill Fall Dealer Market  
August 18-20, 2011 Boston, MA

NACDS Pharmacy & Technology Conference  
August 27-30, 2011 Boston, MA

Blish-Mize Fall Market  
September 16-17, 2011 Overland Park, KS

True Value Fall Market  
September 23-25, 2011 Philadelphia, PA



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