

Cha-Ching!

Specialized Store POS Systems Pay Off for Hobby Shops.

By Gary Wollenhaupt

How many stores do you walk into where the cash register is an old manual NCR, and the clerks write everything down on paper?

Sure, there may be a credit card terminal, but the customer transaction hasn't changed much since the turn of the last century.

You may frequent other independent retailers that haven't adopted modern technology like a small gun store or a bait and tackle shop.

There are hobby shops that still operate on a paper-based point of sale (POS) system. Some stores have stepped up to generic small business solutions like QuickBooks or a basic POS that comes with the cash register/credit card terminal.

If you're not using a full-fledged point of sale system, you're missing out on the power of technology.

When Bob Wilke, president of HobbyTownUSA, started in the industry in 1987, he used a cash register and paper ledger to track sales. "We would call our suppliers and read off our orders, and it was very manual and took a lot of time," he said.

Over the years, HobbyTown has built its own proprietary POS system for use by its franchisees. Wilke said stores that generate \$500,000 or more a year in sales should strongly consider a full-service POS system. That's due in large part to the changing distribution landscape. Stores have to deal directly with manufacturers and a more fragmented distributor base.

"We now have to go to all these different suppliers, so if you're carrying games and models and toys and all those different things, that's where I think stores outgrow pen and paper pretty quickly," he said.

A POS system helps stores stay on top of customer trends.

"Data is king, you have to know your customers, and what they want in nearly real time, so it's more critical than ever," Wilke said.

At the National Retail Hobby Stores Association Tabletop Expo last September, Tri-Technical Systems demoed its AIMsi point-of-sale solution developed for independent hobby stores.

A robust POS for hobby stores does much more than keep track of sales, Ron Koppes, sales manager for Dubuque, Iowa-based Tri-Technical Systems, said in a phone interview.

"It's really full business control software, something that small and

medium-size businesses can use for all of their day-to-day activity," he said. The company started in 1984 developing software for musical instrument rentals for music stores and developed POS systems for several specialty retail markets including hobby stores. Today, about 100 hobby stores use AIMsi from Tri-Technical Systems.

In addition to sales, the functions may include inventory management and ordering, billing and tracking for repairs, scheduling and billing for classes and events, accounting, employee time clocks, tax reporting and accounting, as well as customer sales.

With a powerful point of sale tool, a hobby store can track and analyze inventory with a depth that's not really possible with a paper-based system or a basic cash register-level system.

"It gets into the details of knowing what you've got in inventory, knowing your sales history and tying algorithms into all of that to help you determine what products and quantities you need to satisfy your customer base," Koppes said.

The POS built for specialty retail has the ability to track serial numbers of products. Like gun stores and musical instrument stores, hobby stores need to track sales of products with serial numbers such as high-end RC cars and trucks.

For stores that offer repairs, the Tri-Technical Systems tools can track parts and labor, and track labor time in increments when a tech has to frequently start and stop work.

"It keeps track of everything not only for invoicing but also from the

management perspective you're able to track how efficiently the techs are working and whether the work is priced right," Koppes said.

The system can run on just about any modern computer. Pricing is for a license for the software rather than a subscription so that the store can run it with no additional costs. The system is sold in modules so stores can select only the modules they need. For ease of installation, the AIMsi system can automatically link to product listings from major suppliers such as Horizon Hobby, HRP and Walthers. The system can also support inventory management and sales for e-commerce, Koppes noted.

Sure, it can be hard to invest in and adopt new technology. But keeping up to date is essential for setting stores up to thrive when the next generation of employees takes over. "The store owners need to lay the groundwork for the next generation, their kids or whomever is taking over," Koppes said. "They will see the value in using technology." **HM**



On the AIMsi POS from Tri-Technical Systems, the Home Screen (top) is the starting point for users to enter different functions. The POS screen (left) handles sales functions and features such as layaways and repairs. The service ticket (right) handles repair tracking and invoicing for parts and labor.