



# POS Software and Systems Buyer's Guide



Investing in a point of sale (POS) system is one of the best things you can do for your business, but with so many options on the market, how do you determine which POS hardware and software best suit your business needs and your budget?

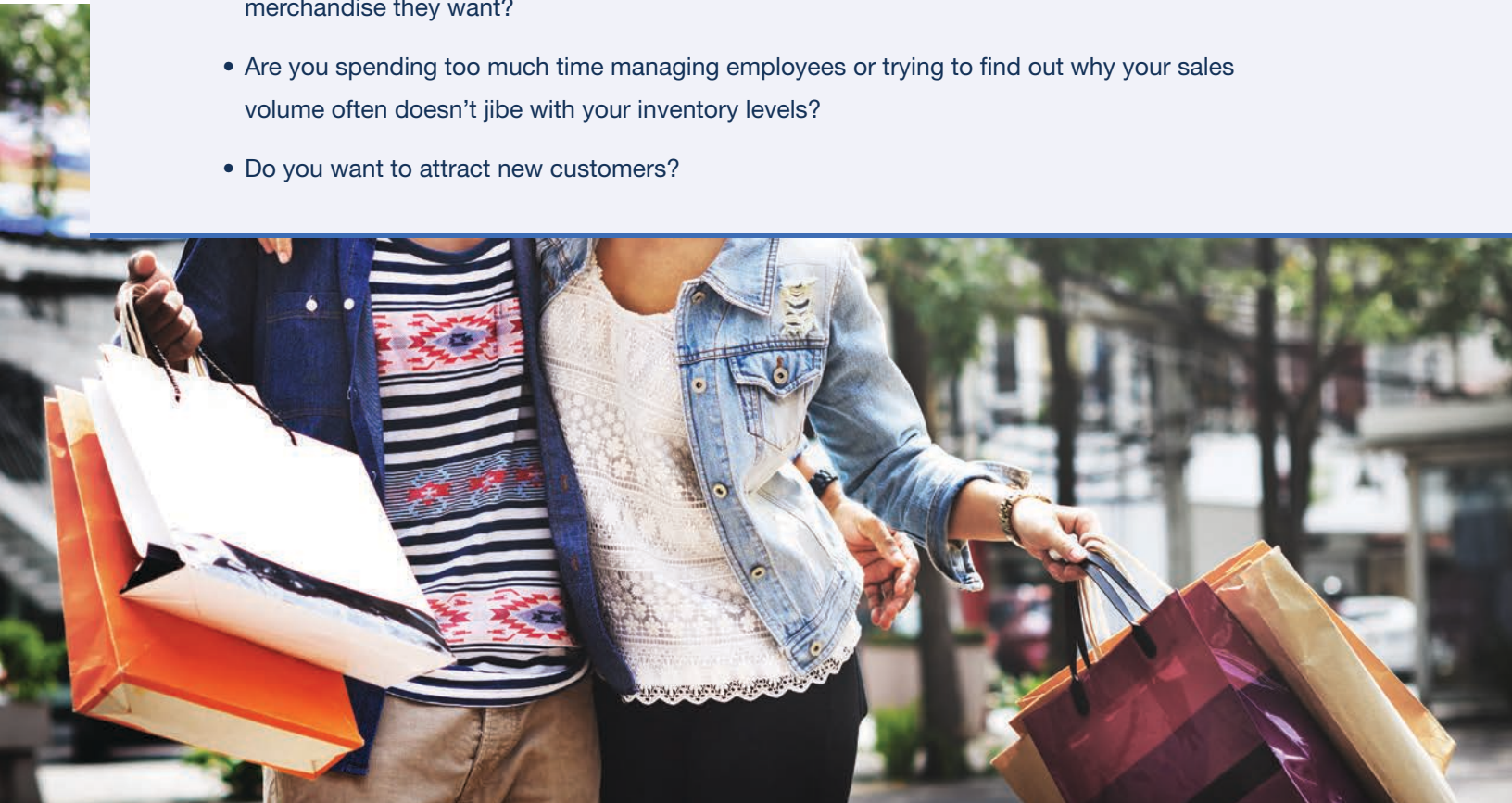
This guide can help you get on the right path to finding the perfect POS system for your business.

## Step 1: Define Business Needs

No one wants to waste time and money on a POS solution that lacks needed capabilities, or has unnecessary features that increase the price. To avoid purchasing a system that isn't right for your business, you need to identify the specific challenges that you will need your new POS system to address.

### You can start by asking questions such as:

- Is business suffering because customers must often wait in long lines at the POS?
- Do shoppers frequently leave your establishment empty-handed because you don't have the merchandise they want?
- Are you spending too much time managing employees or trying to find out why your sales volume often doesn't jibe with your inventory levels?
- Do you want to attract new customers?



The answers will help you identify the pain points you want to eliminate and the goals you want to achieve with a new POS system. Also consider the amount of time you spend on operations-related tasks and whether you need the POS system to automate processes. You may also want to consider whether you need the POS system to support initiatives that can help grow your business.

Once you have clearly identified your business needs, research which POS functions address them. The list of the functions you need your new system to provide will help narrow the field of choices when you shop for a new POS system. The solutions you consider are likely to have a mix of “must-have” and “nice-to-have” features; remember to focus on what you need, which can help you minimize the cost of the system. “More” isn’t necessarily better when it comes to technology solutions.

## Step 2: Set a Budget

Decide how much your business can afford to spend on a POS system. By most accounts, the average industry investment in POS systems totals 2 to 3 percent of retailers’ annual volume, and 1 to 1.5 percent of restaurant operators’ annual volume. Consider ongoing costs, such as software maintenance/updates, hardware maintenance, and technical support.

Ask about payment options. Financing may be available to help with the considerable capital investment you will make. You may also be able to lease or lease-to-own POS hardware, which can minimize upfront costs, but may add to the total cost of the system. Another option available to you may be a POS-as-a-Service offer, which provides your system, as well as software updates and system upgrades, for a subscription fee to use (rather than own) the system.

When choosing from among these options, always consider the total cost of ownership (TCO) and return on investment (ROI). The price of a full-featured POS system may seem high, but don’t forget the financial savings that such a system will yield throughout its lifecycle by reducing labor expenditures, improving inventory control, order accuracy, and cash-tracking, and putting a lid on shrinkage. A comprehensive POS system will also help to up the sales ante by facilitating more effective customer engagement and better customer service, as well as by giving you real-time insight into all aspects of your operation.



## Step 3: Shop for Software

As you consider your options, you will find that not every software solution is compatible with all POS hardware. Selecting your software first will prevent you from being limited in functionality.

### There are different types of software you can choose from:

- **Native.** Native POS software is installed on your POS hardware. It is easier to customize than cloud-based software.
- **Cloud-based software (Software-as-a-Service, or SaaS).** In a SaaS model, software is delivered via the cloud, and you pay for it on a monthly subscription basis. Also, cloud-based software can be accessed from anywhere there is an Internet connection, giving you enhanced visibility into, and control over your operation. Customizing this type of software may be difficult.
- **Hybrid software.** This software can be run online in the cloud or offline.

It can be helpful to research the types of POS software that other businesses like yours are using. Find out through references or reviews if these retailers or restaurateurs are happy with the type of solution, the functionality it provides, and the benefits the solutions provide to their businesses.

It can also be helpful to learn about the POS software vendors that provide the software, gaining insights on the level of customer service they provide and their experience working with companies in your market or industry. Also consider whether the vendor is an established company — one that is not likely to close its doors and leave you without support for your system.

Once you have created a list of POS solutions to consider for your business, it's time to arrange for demonstrations. Using the solution yourself will give you a sense of how easy it will be for your employees to learn, to use efficiently, and to discover whether it will support your operations. It may be helpful to compare similar features side-by-side to arrive at an accurate assessment of the best solution for your business.



## Step 4: Find Compatible Hardware

The POS software you choose will dictate the POS hardware that you can use. In many cases, however, there will still be a number of options to choose from. Some of the choices you must make are related to how your employees will use the system. For example:

**What is the preferred input method?** Some operators favor keyboards or a scanner interface for POS data input, while others prefer a touchscreen interface that facilitates faster data input and easier training for new employees.

**Will you use mobile POS?** POS functionality on a tablet or other mobile device can give you line-busting, in aisle assist, and pay-at-the-table capabilities that can greatly enhance customer experiences. Your options include adding mobile POS to a traditional, stationary system, or using mobile POS alone.

**Which peripherals are needed?** You need to consider printers, cash drawers, PIN pads, payment card readers, and barcode scanners, and select the model that best suits your needs.

**Will you accept all forms of payment?** Make sure your new system gives your customers the ability to pay by their preferred methods. Now that the U.S. is migrating toward EMV payments, all new POS systems should have the ability to accept chip card payments. Failure to do so can result in bearing liability for fraudulent payment card charges. Also consider trends that indicate emerging payment types. Mobile wallet use, for example, is gaining ground. To accept payments of this type, you'll need POS solutions that include near field communications (NFC) technology.

**Which terminal design do you prefer?** A traditional POS terminal design may work well for your business. If space at the checkout counter is limited, however, you may want to consider a more ergonomic solution with a smaller footprint, such as an all-in-one configuration that incorporates basic peripherals (e.g., printers, cash drawers, credit card readers, PIN pads, and customer displays) or a tablet POS system. You will also find options that are aesthetically pleasing and don't detract from a store's décor or restaurant's ambiance.

Just as you did with software vendors, find out all you can about POS hardware vendors. Read references and reviews, and speak with other businesses — preferably similar to yours — that use their solutions. Also ensure that the company provides warranties and technical support.

## Need Help Navigating This Process?

Choosing a new POS system is an important decision, and to properly research your options and find the right solutions can be a time-consuming task. Fortunately, value-added-resellers who specialize in POS systems for retail and restaurants are ready to assist you as you consider business needs and challenges that a POS system can address, set a budget, and select solutions that are right for your business. They will also help you deploy the new system and provide training and technical support.



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## About Star Micronics

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