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The Perfect POS

By Karen D. Schwartz, Contributing Editor

Picture this: A compact wireless POS system with a two-sided flat panel touchscreen display and guaranteed 100% uptime, capable of connecting to the latest and greatest printing, scanning and card reading devices seamlessly. Sound impossible? It may be today, but if retailers have their druthers, a POS fitting that description would be the ideal system of the future—the "Perfect POS". And vendors have elements of all these things in their labs right now.

The most important features of a company's ideal POS system depends on the retail niche they occupy, their clientele, the size of their company, and their retail environment. In the convenience store environment, for example, a POS system capable of handling both food items and gas is a priority, while a more typical retail environment might value a fast, accurate system capable of handling more advanced payment types.

Ask Brian Carty to describe his "dream POS", for example, and he'll explain why a state-of-the-art payment system is key. Carty, store systems development manager for Little Rock, AR-based Dillard's Inc., says his chain should be able to process not only credit and debit cards at the point of sale, but the newer smart cards and paperless checks entering the marketplace.

Integrated Magnetism

"It would be great to have integrated magnetic readers that read all the various kinds of payment media that are being used today, like bank cards, smart cards and key chain fobs," he says. Security also could be strengthened through the use of this new media, he notes, because unlike traditional credit cards, the new media don't allow people to peel off the magnetic stripe and attach a new one.

Carty describes the perfect POS for his company, which has about 350 stores containing about 25,000 registers, as a system with more compact hardware than exists today. "We have expanded our POS to include a check reader, signature capture pad and large screen, and that causes us to use more space on our current wrap stands, which used to hold [IBM] 3683 and 4683 terminals (used in conjunction with back office software supplied by Integrated Software Solutions Inc. of Raleigh, NC.)," he explains. "The POS needs to be smaller and modular, giving us more space. Ideally, each module would be wireless, allowing store personnel easier access to each device when they need to be sent in for repair."

At SuperValu Inc., the retailer-supplier with 1,200 stores in 44 states all these issues are important, but the company is considered a champ at Total Cost of Ownership. Says John Eversman, VP of retail technology, "To minimize our Total Cost of ownership we opted for a way to mitigate our training time for new cashiers by utilizing the operator display allowing for a more consistent and effective training procedure." NCR helped SuperValu build the PC-based terminals that could double as training stations.

"We decided to implement PC technology in-lane for our stores to provide reliability, performance, as well as providing additional features," he adds. As the company moves forward, shrinking form factors are expected to become increasingly important.

Hardware continuously shrinks as Moore's Law and other factors come into play. Earlier this year a raft of POS hardware manufacturers, for instance, jumped on the Microsoft XP-Embedded bandwagon. Wincor Nixdorf's Dave Murphy called the growth of embedded systems "A step toward the POS that shrinks in every way, from the OS to the printer."

Changing System Shapes

Configurability is key for the Army and Air Force Exchange Service (AAFES), a chain of more than 12,000 outlets located in Army and Air Force bases around the world.

"You shouldn't have to go back to the vendor to change the configuration of the system or how it works," says Phil Feinberg, chief of store support branch within the development division of AAFES' IT directorate. "In years past, any time we wanted to change the method of the down payment on a layaway or how credit card transactions worked, we had to go back to the vendor, give them our specs, and let them do the programming. We'd rather have a system that is configurable so we can set our own parameters in-house."

Feinberg also laments the lack of a POS system that can handle more than one type of retail transaction. That's particularly important for AAFES, which offers not only convenience items, but fast food, gasoline, and even services like movie theaters and beauty shops at some locations.

Patrick Dougherty, manager of store automation for the 500-plus convenience store chain Wawa Inc., says his biggest wish is a POS system that not only handles both convenience items and gas, but can integrate with the company's electronic safes, electronic money order machines, and cash control system.

Cash Flow Improvements

"The ability to reconcile down to the cashier level and be able to tell from the safes that we are replenishing the drawers is a big deal for us," Dougherty says. Integration of the company's loyalty program and gift cards would also be a boon, he notes.

Dougherty also stresses the need for the perfect POS system that is compliant with industry standards—in this case, OPOS (OLE for POS), a standard initiated in 1995 by Microsoft, NCR, Epson, and Fujitsu-ICL to help integrate POS hardware into applications for the Windows family of operating systems.

The perfect printer in an ideal POS set-up depends on the retail environment in which it operates. Feinberg stressed the need for more flexible printers able to print on both sides of a receipt. Several retailers noted that companies like Epson are turning out multifunctional POS printers with color capabilities.

Wireless POS systems—ideally, Bluetooth-enabled, are the overwhelming choice, giving employees more mobility and flexibility at the store level. And because of the growing ubiquity of the Web, retailers increasingly value having connectivity between the POS system and the Internet.

Ideal Screens

The ideal screen also depends on the environment, with flat panels and keyboards winning out in high-volume environments like supermarkets. In the convenience store environment, however, a flat panel display with a touch screen instead of a keyboard may make more sense because it's more error-proof, Dougherty believes.

Carty takes the concept of the flat panel display one step further, envisioning a two-sided display. "What the employee sees on his side would be coordinated with what the customer sees on the other side," he explains. "If I'm ringing up items on one side, my program would be smart enough to tell the consumer on the other side that along with the dress she bought, she should consider buying the shoes and scarf that go with it."

Although the perfect POS doesn't exist today, Dougherty can see the day coming when it might. "It would enable us to drive toward our strategic goals more efficiently. If your POS system crashes with 16 customers at the pumps and several people in line in the store, you're far from that goal. It's all about enhancing the customer experience."

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