

With Gasoline Retailers Experiencing the Worst Margins in a Decade, Improving Efficiencies within Retail Operations Is a Must.

Fort Wayne, IN – January 23, 2008 – According to a recent OPIS study¹, in 2007 gasoline retailers experienced the “thinnest margins” in a decade. These margins varied regionally across the United States with the upper Midwest and central Plains suffering the most. Combined with ever increasing labor costs and credit card fees, retailers are being challenged to find ways to improve efficiency, increase productivity, and reduce shrink.

Discover the Right Tools

While retailers can certainly be creative in motivating employees and establishing loyalty programs to retain customers, these measures can only take their business so far on their own. The truest and easiest way to improve efficiency, increase productivity, and reduce shrink is to effectively monitor the financial health of your day-to-day operations on an ongoing basis. To accomplish this, retailers need effective accounting and inventory management tools.

Accounting and inventory management software gives an efficient retailer the power to run reports daily to identify profit improvement areas, pinpoint trouble spots, improve merchandising, and integrate their operations. The software also reduces labor costs associated with end of day activities and pricebook management.

Retailers often delay purchasing software until margins have improved. Ultimately, this strategy is very costly. In good times, retailers may be able to take a more casual approach to their operations. However, in difficult times it becomes imperative to squeeze every ounce of profit and productivity out of every operation. For gasoline retailers, implementing powerful software tools provides an effective return on investment (ROI), with paybacks in generally less than one year.

Not All Software Is Created Equal

There are many accounting and inventory management software options in the market place. Choosing the correct vendor for your organization can often be a challenge if you don't know the right questions to ask. Here are some important factors to consider when selecting software:

- *Reporting Capabilities.* How extensive are the reporting capabilities within the software? Is it easy to report on the data within the tool? Are the numbers displayed in a logical, easy to use, meaningful way? Will these reports address the specific pain points you're experiencing in your organization? If not, can it create custom reports that give you the data you truly need?

- *Integration.* Integration is a word often used in the back office software world. Most vendors claim to have integration, but few have true integration. True integration is defined as having all the software components developed and maintained by the same company and working seamlessly. The tighter the integration between the different software components, the fewer manual steps it means for your organization. Fewer steps mean greater labor savings and less opportunity for errors.

- *Ongoing Costs.* What are the ongoing costs to keep your software up-to-date with the needs of the marketplace? How often will your hardware need replacing? What costs are associated with maintaining the hardware on a daily basis?
- *Development.* Is a company's development based on its own needs or the actual needs of their customers? Is the software's development tied to a third party? While it can initially sound like an advantage to select software integrated with a large global software package, this can potentially be a disadvantage if markets dictate changes for that software. What is the likelihood that this third-party developer will change its product to match the needs of a single industry?
- *Technology.* Technology is constantly changing and new leaders and standards are being raised up all the time while others fall into obsolescence. How well is the software vendor prepared to embrace the changes of the coming decades? Can this technology withstand substantial growth in your organization?

Embracing the "Challenge"

After reviewing a list of this length, a retailer may be tempted to back away from what appears to be a challenge. The truth is that this process is often easier than one might think. Most software vendors will set up a time to speak with retailers and help them identify pain points, present solutions, and generate a projected ROI free of charge with no obligation. The right vendor will provide services to make an effective solution as easy and painless as possible to help you start reducing shrink, improving profit, and driving costs out of your organization.

Summit Software, Inc. develops integrated accounting and inventory management software solutions for the petroleum, convenience stores, and biofuels markets. Summit has been serving its customers for over 25 years from its headquarters in Fort Wayne, IN. For more information on Summit Software, Inc., visit www.summit-soft.com or call 800.433.5724.

¹Referenced from the January 21, 2008 issue of Oil Express a weekly publication by United Communications Group. According to the publication, the 120-page award-winning report is called "The OPIS Retail Year In Review & 2008 Profit Outlook" and can be ordered at www.opisnet.com/retail/yearend2008.asp.

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