



Midwest Photo Exchange Melds Brighter Profits with High-Speed Tasks

Overview

Country or Region: USA and worldwide

Industry: Multi-channel retailer selling camera, PC, software and audio gear.

Customer Profile

Midwest Photo Exchange has grown during 25 years to sell 30,000 SKUs via store, Web, phone, and tradeshow.

Business Situation

First attempts at overall data connectivity were erratic and crash-prone. Four hours a day—US\$12,000 to 15,000 annually—disappeared into data re-entry.

Solution

nChannel was selected over five rivals for its proven workability and highly favorable pricing.

Benefits

- nChannel solution and staff delivered all that was promised
- MPEX has keener competitive edge by its faster, enterprise-wide updates of prices, specials, descriptions and availabilities
- Hours of previous work now finished in milliseconds at huge savings.
- No software maintenance or crashes.
- Executives and managers freed up to expand business and train staff.

"We make specials show up faster, and specify in advance when they start and stop. Even better, once we attract a new customer from a less-agile retailer, we keep them."

Moishe Appelbaum, President, Midwest Photo Exchange

Many businesses share the same challenges as Midwest Photo Exchange (MPEX), but few surmount them as elegantly. This multi-channel, family-owned and operated retailer operates nine lanes in a 3,000 square-foot store. It sells nearly 30,000 SKUs of photography, computing equipment, software, and audio-visual gear, of which 10,000 sell on its webstore. Amazon, eBay, mail order, phone sales, trade shows, commercial accounts, rentals, and used equipment attract additional revenue.

Through 25 years of growth, MPEX has stayed ahead of the fast-moving technologies it sells while retaining high levels of customer service that have built loyalty, an excellent online reputation and ongoing referrals. MPEX must reach hundreds of thousands of prospects, yet constantly help and educate individual customers. Thousands of monthly transactions propel the company into the top three percent of USA specialty camera retailers.



“We see uniform customer information, tendering, order data, item detail and stock levels... shelves, POS, web store—they may as well be one.”

Moishe Appelbaum, President, Midwest Photo Exchange

Needs, Pains and Aspirations

Packed product lines range from sub-\$5 lens caps to \$30,000 digital cameras. A dynamic inventory of used equipment is sold via email blasts. Thirty-one dexterous employees juggle every type of customer contact, product education and transaction.

In 2007, staff and management were satisfied with their new point of sale (POS) software. However, at that time, its core functionality wouldn't communicate with an independent web store. Online sales were growing and each order had to be manually entered into their POS software.

Moishe Appelbaum, MPEX President, says, "Our POS system's connectivity tool was proprietary with its code. We needed many modifications, yet their programmers had to program each one. That was laggy and cost-prohibitive."

In 2010, MPEX launched new eCommerce software, smoothing and accelerating web browsing and buying. Still, no bridge existed to post orders to the POS.

"On high days, web orders hit 300," says Appelbaum. "We had to manually pull up each order, then type or paste every field into the POS: item data, any special pricing, tendering, and all customer data. Manual entry ate half of every day, for an unlucky employee. And if we crashed during that double work, our data was lost. Restart!"

"Manual data re-entry cost us \$12,000 to \$15,000 annually in staff time. Manual errors might ship the wrong products because item descriptions weren't uniform from store to warehouse to Web. Some orders shipped twice. And of course there were untrackable costs in lost sales time."

To connect Web and POS, MPEX contracted a boutique software firm. "One of our few bad choices," admits Appelbaum. "Their program broke as often as it worked. Then we couldn't trust its throughput. An unpredictable system is worse than no system. When it glitched, one of us—often me or a manager—had to stop work and pore through orders to see which ones had made it and which had gotten lost. That unreliability propagated a ripple effect of problems I had to oversee and untangle. We were always reshuffling assignments and accountabilities to compensate."

Orders lagged, storekeeping tasks became mired, service suffered. Ignoring untraceable costs and lost revenues, MPEX tracked \$5,000 to \$10,000 in losses to erratic software from an unproven vendor.

Selecting nChannel

MPEX evaluated five competitive offerings for a reliable way to automate data flow between POS and Web and vice versa. Appelbaum says, "The big differentiator was that we knew nChannel actually worked. It was proven in several retail environments. Some contenders wanted us to be their proving ground.

"It didn't hurt that nChannel only cost 10 percent of competitors. Because nChannel isn't huge, I knew our business would be important to them. We wouldn't languish in a long support queue. They have eagerness, motivation and spark. Reliability was certain, installation wouldn't derail, and their support was emotionally committed. We were confident."

Installation and Implementation

"nChannel has given us exactly what we hoped for—exactly as they promised," says Appelbaum.

"Now nChannel takes milliseconds to do the half-day order entry that cost us \$15K a year. We don't have to compulsively tally our website's daily orders against our POS. No need to rescue and revive orders that died in transit."

Moishe Appelbaum, President, Midwest Photo Exchange

"Retailers absolutely must keep all their data in one database. Finally, everything is in our POS database and consistent across all platforms. nChannel handles and manages all data traffic in and out in all directions. Its software maintenance is zero, literally zero.

"nChannel takes care of everything. If we have a problem on our end, they respond almost instantly. They also customized their software to meet our specific needs in the photography industry."

Appelbaum credits the MPEX technical team with helping define needs and issues, mold new software to proven business rules, standardize data, and smooth out implementation through careful planning.

New Business, Savings and Focus

"We have a sharper competitive edge now because we get new and trending products fully synced and on the Web faster. Search engines definitely notice what's in stock, and nChannel ensures we don't promote a stockout.

"Pricing in our niche is dynamic and very competitive. When items are discontinued, prices change, or we need to competitively match price, we check a box in our POS. Within an hour (instantly if we click a special button) it's updated accurately and enterprise-wide!

"We make specials show up faster and specify in advance when they start and stop. Even better, once we attract a new customer from a less-agile retailer, we keep them. When we install nChannel's connectors for Amazon and eBay, we expect online sales to further escalate.

"Now nChannel takes milliseconds to do the half-day order entry that cost us \$15K a year. We don't have to compulsively tally our website's daily

orders against our POS. No need to rescue and revive orders that died in transit. In the POS screens, we enter or update item descriptions once, and without double work from crashes. Because nothing crashes.

"We see uniform customer information, tendering, order data, item detail and stock levels. Staff learn one user interface, and all our data is synced in lock-step no matter where we or a customer see it. We ship the right items in the right quantities, and that helps ensure inventory accuracy. Shelves, POS, web store—they may as well be one.

"In the big picture, our executives and managers are freed up to do what we're supposed to do, not play catch-up. We expand new sales areas and organize for smoother flows. I coach staff more often in customer service and product knowledge. And the best part is I get home in time to help my daughter with her homework!"

For More Information

For more information about Midwest Photo Exchange products and services, call 866-940-3683 or visit the webstore at: www.mpex.com. 3313 N. High Street, Columbus, Ohio 43202



For more information about nChannel products and services, call 800-406-8217 or visit the website at: www.nchannel.com. 1275 Kinnear Road, Columbus, Ohio 43212



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