nChannel Case Study

Midwest Photo Exchange

Midwest Photo Exchange Melds Brighter Profits with High-Speed Tasks

Overview

Country or Region
USA and worldwide

Industry
Multichannel 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 tradeshows.

Business Situation
First attempts at overall data connectivity were erratic and crash-prone. Four hours a day—$12,000 to 15,000 annually— disappeared to 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.

Culture and Retail Philosophy

Many businesses share the same challenges as Midwest Photo Exchange (MPEX), but few surmount them as elegantly. This multichannel, family-ownedand 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 web store. 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 US specialty camera retailers.

Needs, Pains and Aspirations

Packed product lines range from sub-$5 lens caps to $30,000 digital cameras. A dynamic inventory

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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.

Moshie Appelbaum, MPEX President, says, "Our POS system's connectivity tool was proprietary with its code. We needed many modifications, yet its 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. "When it glitched, one of us had to stop work and pore through orders to see which ones had made it and which had gotten lost. 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.

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

"nChannel has given us exactly what we hoped for— exactly as promised," says Appelbaum. "Retailers absolutely must keep all their data in

Midwest Photo Exchange

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, it responds almost instantly. It also customized its 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.

> "Now nChannel takes milliseconds to do the half-day order entry that cost us $15,000 a year. We don't have to compulsively tally our website's daily orders against our POS."
>
> – Moishe Appelbaum, President

"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 $15,000 a year. We don't have to compulsively tally our website's daily orders against our POS. 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 lockstep 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!"