Innovative Retail Concept Integrates Three Microsoft Systems to Run Like a V-8 Engine

Overview

Country or Region: United States
Industry: Retail

Customer Profile
Raceline Motorworks has two thriving locations where customers buy, build, "register," and receive "drivers' licenses" to race model cars. And it's all automated from the first kiosk through checkout.

Business Situation
No extant solution could inventory and bill out trees of interrelated chassis and parts, take photos, print licenses, score points, display results, and charge customers.

Solution
Three Certified Microsoft® Partners—Merchants Solutions, Retail Information Technology Enterprises, and West Monroe Partners—teamed up to deliver their own pieces of a fully integrated system.

Benefits
- Sophisticated solution opened on time and in budget
- Knowledge incentivizes store managers
- Realtime inventory hides stockouts from customers
- Founders see sales, staff, and stock
- Employees learn quickly and solution enforces uniform business rules

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> Blake Harper, Founder, Raceline Motorworks

Three business partners combined skills to create and implement a new retail concept: An exciting venue where customers select a model car chassis, accessorize it with parts, build it, get pictures taken for a "drivers' license," competitively race their models, see their names in lights, and even combine several complex transactions on one credit card. Owners studied and rejected 20 software approaches, picking Microsoft Dynamics™ Retail Management System (RMS) as the most flexible and customizable retail engine around which to assemble the many parts of their system. Three Certified Microsoft® Partners—Merchants Solutions, Retail Information Technology Enterprises, and West Monroe Partners—combined specialties to co-develop a solution that helped Raceline open on time and below system budget. Today, location managers have the visibility and controls to motivate staff and themselves.

Retail Information Technology Enterprises

"Nothing came close to Microsoft Dynamics RMS Store Operations and RMS Headquarters as our POS building blocks to run the chain, integrate all the custom software we needed, and give us deep management tools."

Blake Harper, Founder, Raceline Motorworks

Figure 1. Customers choose body styles from drag racers to Hummers, pick accessories, then assemble their own model cars to race.

Situation

Few entrepreneurs have the vision and confidence to pioneer a new retail concept that requires a sophisticated and highly integrated IT system to power their idea and give it wheels. Today, Raceline Motorworks' two locations, downtown offices, warehouse, 50 employees, database of 10,000 domestic and international customers, and 12,000 custom vehicles sold testify that imagination plus well-oiled merchandising and point-of-sale (POS), display, and information systems can take the checkered flag.

Founder Blake Harper and partners David Domm and Rocky Jones took that leap in 2005 when they designed a novel retail experience wherein customers could use a POS terminal to choose and purchase their own remote-controlled model-car chassis, and accessories from 800 SKUs. Customers buy track time to race their creations against others on an in-house track. Raceline also sells memorabilia and boxed cars by mail.

Before opening the first store in 2006 at Hawthorne Mall in Vernon Hills, Illinois, a Chicago suburb, Harper had chosen Jones for his retail operations expertise and Domm for administrative, financial, and real estate knowledge. Harper focuses on marketing, technology, and business strategy.

Speeding Through the Sale

The Vernon Hills store has four multifunction "DMV kiosks." There, a camera photographs the customer whose picture goes into the Microsoft Dynamics™ Retail Management System (RMS) database and to the racetrack software. Customers answer on-screen questions to design their "drivers' licenses"—actually personal profiles displaying their photograph or an avatar and a nickname. Programming logic varies the questions based on customer answers, such as whether one is a child in the care of an adult.

Precision Fun

"Raceline creates a fun, complex, and exciting experience," says Harper, "yet every step must flow flawlessly into the next so the customer stays involved, happy, and moving through the transaction. When people come in with a gift card, or we host 20 for a party, we can't break the rhythm of the experience with a system glitch or a stock-out.

"And that can be tricky because there are 'trees' of parts interrelationships," explains Harper. "Choosing a given car chassis channels a customer to a small percent of our overall choices for related parts and accessories. Our POS system had to dynamically handle this logic, never offer accessories we're out of, charge accurately, manage employee tips and work orders, and put no hiccups into our sale process."

Customers design a vehicle, choosing body style, chassis (engine, shocks, etc), tires, decals, and color. Their drivers' licenses become membership cards and are printed upon payment at the POS. An adaptation by Retail Information Technology Enterprises (RITE) allows Microsoft Dynamics Retail Management System to support "branched customers," whereby one credit card can sponsor many racers. Kiosk software is written in Microsoft® .NET 2.0.

The second store, in Wauwatosa, Wisconsin, has three DMV kiosks and two POS terminals. Both stores have three racetrack PCs with PCs in the back office and the receiving/storage room.

After the car and accessories are purchased, Microsoft Dynamics RMS sends all data to the racetrack management system, a suite of custom .NET 2.0 applications by West Monroe Partners. After assembling the car, customers scan in their drivers' licenses at the racetrack kiosk and choose an on- or off-road course.

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Figure 2. With all the spills and excitement of life-size auto racing, customers compete for points and prestige.

A Raceline crew member assigns racers, starts races, and enters in the results. Displays keep parents and friends informed of on-deck racers, current heats, and winners. The latest display software uses .NET 3.0 and Windows® Presentation Foundation.

Cornering the Right Software

"We knew that no existing system would handle our sales cycle from kiosk through POS through track to back-office accounting, reporting, inventory, and purchasing," says Harper. "So our prime, no-give criterion was to find software that would welcome all these customizations, flex with us as we learned and got new merchandising ideas, and integrate all our customer touch-points."

Since 80 percent of employees are part-time and mobile, developers had to funnel Raceline's highly intelligent software into a quick-to-learn, easy-to-use, and secure interface for sales associates. To incentivize and enable store managers, back-office reporting had to offer the right blend of detail or overview that any query might require. The partners wanted managers to run the store as their own businesses, yet partners needed to retain visibility and control. Scalability to national scope was the final criterion. Domm is already scouting more Raceline locations

Solution

"We went through an arduous selection process," confides Harper, "culling 20 contenders down to a final three before we found software and developers on whom we were willing to bet our futures. One entertainment/ticketing application, Quantix, lacked the store and chain management capabilities we needed."

The Winner

"In the end, nothing came close to Microsoft Dynamics RMS Store Operations and RMS Headquarters as

our POS building blocks to run the chain, integrate all the custom software we needed, and give us deep management tools," Harper says.

Microsoft Dynamics RMS Store Operations is the store-level POS and retail management solution that staff and managers use to sell and manage. RMS Headquarters collects data from each store, gives upper management complete visibility, and apportions control and information per owners' wishes.

Teamwork Works

"Three Certified Microsoft partners, each executing its own part of the system and integrating with the other parts, teamed up to make our complex and lucrative sales cycle work smoothly dozens of times a day," Harper says.

West Monroe Partners, a business and technology consulting firm headquartered in Chicago, Illinois, began to define system requirements.

Harper's request to Microsoft sparked a call from Merchants Solutions, a Certified Microsoft Retail Partner in nearby Hillside, Illinois, who provided, installed, trained, and supports Microsoft Dynamics RMS. West Monroe Partners says that interfacing its complex applications to this very complete retail solution was "very straightforward."

RITE of St. Cloud, Minnesota, created the exciting DMV kiosk software. West Monroe Partners provided project guidance and custom Microsoft ASP.NET 2.0 applications to manage races and their displays.

Harper reports, "I never envisioned that three custom software providers could work so well together to deliver a new system. Each one took ownership for more than its share, so Raceline got very responsible overlap and

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cooperation during development, after installation, and in our ongoing enhancement ideas. We had only one small delay, a database issue which Merchants Solutions took ownership for and handled."

Microsoft Dynamics RMS is also installed in the downtown warehouse for overseas sales. Parts are stored there in quantity, and then transferred as needed. Microsoft Dynamics RMS also tracks interstore transfers.

Benefits

"In a retail application that pioneered new sales concepts and pushed software integration boundaries, we opened on time and under system budget," says Harper. "The three-part front end meshes nicely and brings in uninterrupted income."

Seeing the Whole Field

"Our largest overarching business result is empowering managers to run their stores productively and deliver the partners information so we can run the enterprise effectively," Harper asserts. "Reporting in Microsoft Dynamics RMS and Headquarters is efficient, easy to use, and even helps us teach business analytics. I've seen many reporting engines in retail and other enterprises, but these deliver everything they should, and more than we need.

"We can review sales quickly to learn what's selling and which strategies, people, and hours are most profitable. We can safely increase stock in fast movers like two-tone chrome wheels and helicopters, and cut slow categories, like yellow cars.

"It's pivotal that Microsoft Dynamics RMS enables us to manage inventory in real time. We know our screens will never show the birthday kid a blue Phantom Racer if it's out of stock. As soon

as the last one is committed—even before it's picked up—it disappears from kiosks' screens. There's no crying at Raceline!"

"Given our crews, shrinkage has never been an issue, yet the security screens in Microsoft Dynamics RMS allow us to limit transaction types by employee, so critical functions don't go to new people.

"Our managers were very surprised at the system's power. They hadn't seen a retail solution with this much flexibility. Each time they send up a wish, we can nearly always grant it. Previously, when some associates weren't diligent about capturing names of customers who returned to buy additional accessories, we lost valuable marketing knowledge. Now, one click gathers the data, so this job gets done. In Wauwatosa, we're trying a customer-facing LCD to test new advertising and promote store events."

Advice from the Winner's Circle

"In opening a new retail venture," suggests Harper, "you want zero to 60 in no time. You need doors open ASAP because that starts your money stream. Don't waste time working with 'maybe' software or people you aren't comfortable with. We chose very wisely in both respects.

"Be sure you own, control, and can always access your own data. Get real-world proof or case studies of the software's scalability. Will it enable and even encourage you to grow? And be very sure it has open architecture that can be customized at both ends."

"Our next big plans are to install Microsoft Dynamics GP for more sophisticated back-office management," says Harper. "That will give us a Microsoft shop from the time customers open the front door till we pay our taxes on the profits."

For More Information

For more information about Microsoft products and services, call the Microsoft Sales Information Center at (800) 426-9400. In Canada, call the Microsoft Canada Information Centre at (877) 568-2495. Customers who are deaf or hard-of-hearing can reach Microsoft text telephone (TTY/TDD) services at (800) 892-5234 in the United States or (905) 568-9641 in Canada. Outside the 50 United States and Canada, please contact your local Microsoft subsidiary. To access information using the World Wide Web, go to:
www.microsoft.com

For more information about Raceline Motorworks products and services, call (847) 367-3316 or visit the Web site at:
www.racelinemotorworks.com

For more information about Merchants Solutions, Inc. products and services, call (800) 486-3214 or visit the Web site at:
www.merchants-solutions.com

For more information about Retail Information Technology Enterprises (RITE) products and services, call (888) 267-RITE or visit the Web site at: www.rite.us

For more information about West Monroe Partners products and services, call (312) 602-4000 or visit the Web site at:
www.westmonroepartners.com

Microsoft Dynamics Retail Management System

Microsoft Dynamics Retail Management System (RMS) offers a complete store automation solution for small and medium-sized retailers, streamlining point-of-sale (POS), customer service, and store inventory management, and providing real-time access to key business metrics. Microsoft Dynamics RMS is a comprehensive solution for single-store and multi-store retailers that empowers independent proprietors, store managers, and cashiers through affordable and easy-to-use automation. Microsoft Dynamics RMS has the flexibility and scalability to grow with a retailer's business. It works with the Microsoft Office System, Microsoft Windows Small Business Server, and leading financial applications to provide end-to-end support from the cash register to the back office.

For more information about Microsoft Dynamics RMS, go to:
www.microsoft.com/dynamics/rms

Software and Services
- Windows Server® 2003
- Microsoft Windows XP
- Microsoft ASP.NET 2.0
- Microsoft SQL Server® 2005
- Microsoft Dynamics Retail Management System Store Operations
- Microsoft Dynamics Retail Management System Headquarters
- Microsoft Internet Information Services 6
- RITE Multi-Store Gift
- RITE Advanced Customer Lookup
- RITE HQ Sync
- RITE/Raceline DMV Kiosk customization

Hardware
- Dell PowerEdge servers
- Touch Dynamics CobraPOS All-in-One
- ELO touchscreen monitors
- GVISION LCD monitors
- M-S cash drawers
- Motorola Symbol scanners
- POWERVAR power conditioners
- Epson thermal receipt printers
- Star Micronics futurePRNT receipt printers

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