



## **Electrone Europe – Retail Opinion**

### **The principles of shortening the supply chain applies to your IT vendor too!**

Major retailers have long been versed in the disciplines of shortening the supply chain to maximise value in their own product lines. But now they must apply those same principles to their technology purchasing to improve business agility, argues Stuart Thorn, Chief Executive of Electrone Europe.

### **Streamlining Suppliers**

Household names such as EasyJet and Dell have become experts at streamlining the market down to its basics – no stock, order on-line, buy direct from the supplier. And they have no high street store sales to maximise. But the same principle of reducing the number of steps in the chain which supplies you can be applied to the technology vendor or partner. Only by using the nimblest technology manufacturers will retailers have the business agility to reduce costs and maximise flexibility.

The fundamentals of any extended supply chain lead to higher costs and inflexibilities. Buying software from the author allows you to feedback to the author directly – does your reseller have the influence when it comes to asking for software additions or changes? Similarly, when you need specialist input devices or terminals to operate your stores more effectively do you have the ability to influence the design and style – touchscreens, swipe cards, biometrics and keyboards with integrated touchpads – So much needs to be integrated into a very small space at the point of sale.

### **Tailored Technology**

At one end of the scale this increasing pressure for this space means smarter, more functional, more compact EPoS devices are needed. In another environment style may well be the key factor. Of course your software can be tailored to suit your specific needs, in this Web 2.0 world that goes without saying! Doesn't it? But does your relationship with your supplier allow you to modify the technology at the point of sale?

Does it allow you to have a smaller EPoS terminal in certain stores and sleekly designed looking units, stylishly designed ones in another? Or do you need some special feature that your business could utilise to address tricky problems and differentiate itself from the competition.

Such as the latest compact internet enabled keypads for verification and data input.

Most would look to their channel partner for a solution but in many cases they will be too far removed in the supply chain to be able to have an impact. It's therefore important that retailers consider suppliers who actually own and manage the manufacturing process. This approach both increases the initial design flexibility and the ability to respond to changes in the market.

'Just in time' manufacturing is great for thousands of EPoS units but the system can fall down for specialist business applications. Franchise operations expanding across Europe may require modified keyboards for different regions. Or specialist software designed for specific tasks may need programmable keys or wipe-clean keyboards. It's here where nimble manufacturers, who carry customisable part-assembled stock, can offer the best business value.

Retailers often need to trial new technology by purchasing only a small number of units. Critically, they may also need them quickly – at incredibly short notice.

Only those that own or manage their own manufacturing will be able to reprogram chipsets or make country-specific adjustments for cultural differences or legal compliance at a moment's notice. This flexibility is the true advantage of keeping a stock of core, modular components at hand.

Smart retailers and systems integrators need to ensure they source directly from nimble, outsource manufacturers, who are as close to the production line as possible. Only then can they use their streamlined technology supply chain to provide better service, greater customer satisfaction and therefore brand differentiation. Just make sure you are close enough to the vendors or manufacturers to have your special requests listened to.