



## Showcase for Success

*Chris Millet, Senior Consultant*

In the past year, I have been fortunate enough to work with many clients new to the world of PROFIT*professional*. I have seen some extraordinary successes from clients who take time to invest in prudent levels of training and education. As with any new venture, the proper amount of planning, guidance, and instruction can make all the difference in long-term success. In today's business climate, it is essential to assimilate new business systems as quickly as possible, and avoid the costly process of trial and error.



A PROFIT*consulting* client who exemplifies the kind of success from proper implementation is [Sherman's of Central Illinois](#). Sherman's is a family owned and operated furniture, electronics, and appliance business in the central Illinois marketplace. A multi-store operation which achieves an annual sales volume of \$15-20 million, Sherman's has been a PROFIT*consulting* client since early 2006.

Moving from completely manual systems to a more advanced retail software system was an undertaking that Sherman's knew needed appropriate planning and coordination. With a desired "live" date of May 1, 2006, an initial three weeks of consulting time was scheduled. The first meeting was primarily used to develop the organization to ensure there would be a staff member in place for both the initial implementation and for the future needs of the organization. The change in systems would create a greater opportunity for improvement and a higher level of responsibility. Within this initial session, an organizational chart was developed detailing the key positions necessary for a high performance operation. In addition, detailed roles and job descriptions were developed in conjunction with Sherman's current business model and goals for the future.

Once the key roles and responsibilities were understood for a successful implementation, a specific game plan was developed for each step of Sherman's move to using PROFIT*professional*. The following two meetings were used to instruct key staff members and implement procedures for timely and efficient use of the new



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systems. The first of these meetings focused on key daily operations and data entry. The second was a follow-up to ensure systems and procedures were functioning as intended. As Sherman's went live with PROFIT*professional*, they were able to hit the ground running and haven't looked back since.

Bar coding systems were implemented during a visit in August 2006, giving Sherman's superior control of inventory levels and greatly reducing the cost of shrinkage. From the beginning, it was the intention of Sherman's to implement bar coding. Sherman's understood that one of the keys to successful inventory controls was to have an efficient, manageable system which could keep up with the demands of a high volume and diverse inventory investment. Within the scope of bar coding implementation, a prudent level of planning is required to coordinate the project. The proper merging of software, hardware, and procedures is essential to making this transition.

Now that Sherman's had been using PROFIT*professional* for a few months and had some solid inventory control systems in place with bar coding, it was time to explore one of the main reasons why Sherman's purchased the system in the first place. It was time to implement the SMART*inventory* program. SMART*inventory* is PROFIT*consulting*'s premier inventory management system which works in conjunction with key reporting from PROFIT*professional*. Working with key members of Sherman's staff, including General Manager/Owner Paul Sherman, a customized, profitability-based inventory management system was implemented for the three major categories of the business: furniture, electronics, and appliances. In October of 2006, Sherman's was well on its way to a complete and successful implementation.

As we do with many clients, PROFIT*consulting* has continued to work with Sherman's over the past year and is very pleased to see the reported gains. In the first full fiscal year using PROFIT*professional* and working with PROFIT*consulting*, Sherman's has doubled its profits and increased overall gross margin by 5%. With the difficult financial market facing the home furnishings industry, these gains are remarkable.

In October of 2007, Sherman's joined and attended their first PROFIT*groups* meeting. PROFIT*groups* are industry related performance groups which allows our members to share best practices and develop and strategize business improvements. Sherman's commitment to PROFIT*systems* performance groups continues to show the desire for constant business development.



To sum up, perhaps Paul Sherman puts it best by saying, "Sherman's had a solid reputation and a great team, but we were running the business the same way we had for decades. Beginning with your first pre-implementation visit to create our new management structure, it was invaluable to go through each area of the business to create clear metrics to judge performance. The real financial rewards began after all elements were in place, following your visit to implement the *SMARTinventory* program last October. Paying commission on gross margin had really kicked in, steadily increasing margins."

"Systematically marking down dogs each month and replacing the sold ones with better merchandise increased both sales and margins. There are too many benefits to fully implementing your systems to comment on briefly, but one thing you told me sums it up: small, steady improvements in each metric of the business add up to HUGE results. The last year has been, by far, our most profitable ever. Thanks for your part in helping us achieve this, and I look forward to your next visit!"

If you have the desire for your business to be a "Showcase for Success", please contact PROFIT*consulting* at [info@profitsystems.com](mailto:info@profitsystems.com) for more information!