Point of Sale (POS) Best Practices

1. **Point of Sale systems (POS) provide customer-facing and back office transactional support in a physical retail store.** The most visible part of a POS system is the hardware and application software that is used to record a sales transaction and capture payment. Modern POS, in a medium-to-large store, may include inventory, returns pricing, labor management, sign printing and interfaces to host ERP applications.

2. **There are a number of credible and functional POS systems which can be licensed in a variety of ways and at a number of price points.** POS is a system that you would never develop in-house. Produce a formal requirements package that documents your in-store selling, service and management pain points and business needs. As you search for purchased software that matches your needs, consider how you want to deploy POS (in-store, hosted or SaaS). There are advantages and disadvantages to each deployment model and a POS consultant can help with package selection and deployment architecture.

3. **If your business is multi-channel, consider viewing POS as another order taking channel.** A POS system which supports the same customer experience (pricing, promotions, products, loyalty, gift cards, order history and so on) as your other sales channels recognizes the centrality of the customer to your business: your customer can shop you on the web, contact center or store and receive a similar, integrated experience.

4. **PCI DSS (Payment Card Industry Data Security Standards) compliance is not an option.** PCI DSS compliance is a base POS system requirement. All credible providers are PCI DSS compliant. Remember that PCI DSS is not a complete security framework and that security above-and-beyond PCI DSS should be part of your POS selection considerations.

5. **Create a financially factual business case to justify an investment in POS.** Your business case may include training benefits (to reduce expense associated with rapid retail turnover), better workforce management, headcount reduction, more effective selling tools, faster checkout, multichannel leverage, PCI DSS compliance, reduced stock-outs and so on.

6. **Consider POS standards in your selection.** Peripheral (printers, signature capture, mobile terminals, card readers, etc) interfaces are complex and expensive to customize. The POS industry uses a variety of standards (e.g. UPOS, OPOS, JPOS) to simplify peripheral interfacing.

7. **Host system integration has moved beyond batch file transfers.** FTP or other batch file transfer systems are still used in many POS-Host system integrations, however ‘trickle’ polling (asynchronous continuous store data upload/download), real-time, web services and other integration technology will provide better, more up-to-date inventory, sales and customer information.

8. **Reduce cash outlays for POS infrastructure by considering embedded OS devices.** POS hardware vendors have introduced a variety of devices that have reduced the complexity of implementation and on-going maintenance of POS. Embedded operating systems, thin clients, and browser-based systems can reduce CAPEX and ongoing OPEX for maintenance.

9. **Think hard before you customize software and make sure it’s worth the effort.** Customization, while an attractive option, introduces new costs and uncertainties to a project. While changing a department’s ways is also risky, that can often be more easily and visibly managed than customization. Think about how to change your processes before you look to customizations.

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# Point of Sale Key Questions to Ask Providers

## Company

1. How many clients have you sold? How many have you lost, and why?
2. How many registers run your software?
3. Which integration partners support your product?
4. What is your YOY growth in licenses?
5. Do you specialize in a retail segment?
6. What do you offer “out of the box”?

## Products/Services

1. What infrastructure is required at the store? At headquarters?
2. What additional software is required in order for your product to function?
3. Does your product work with a single database for all the company’s back-office functions or will I need to synchronize with several others?
4. How long will a small roll-out take? A large one?
5. What technical support services are available?
   a. Is your support team located in the US or abroad?
6. Do you have a support knowledge base, community forum, or applications that are shared by customers?
7. Do you have a SaaS or a hosted option?
8. Are you PCI DSS compliant? What additional security features do you provide?
9. Do you provide tuning and performance testing expertise?
10. What is your release cycle? Patch cycle?
11. Do you provide operational audits?

## Features

1. What key features are included in your solution?
   a. What features are currently missing, on your roadmap, does management love? Shoppers?
2. What is your product’s competitive advantage over other packages? Why?
3. What other modules are part of your offering?
4. What Retail standards does your product support?
5. What pre-integrated software from other vendors do you support?
6. How would we get on your road map committee?
7. Do you support out-of-the-box PCI auditing?
8. Describe your localization/globalization features and functions
9. Do you support sales tax/VAT calculation without customization or purchase of additional software?
10. Describe your promotional capability.
11. Do you support loyalty programs?
12. What payment methods do you support?
13. What polling technology do you use?
14. Are your applications browser-based?
15. What is your preferred technology stack?
16. Can we use Linux client or server technology?
17. Do you provide customized ETL functionality?
18. Do you provide tuning and performance testing expertise?
19. Describe your management console(s)?
   a. What can I manage with it?
   b. Does it include reporting and a dashboard?
      i. Please describe your reporting capabilities (batch vs. real-time, ad hoc, etc.).
      ii. Please provide a list of standard reports.

## Pricing

1. Do you price by the user, concurrent user, server, site, register or other?
2. Why do I want to pay to upgrade to the next level?
3. How do you charge for annual support? What about maintenance?
4. Are there any additional fees (e.g., implementation, transaction costs, revenue sharing?)

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