



EBOOK

# POS Software and Systems Buyer's Guide



Investing in a point-of-sale (POS) system is a pivotal step for your business, but navigating through numerous options can be daunting. How do you decide which POS hardware and software align with your business needs and budget, especially in an era where online ordering and e-commerce are becoming increasingly vital?

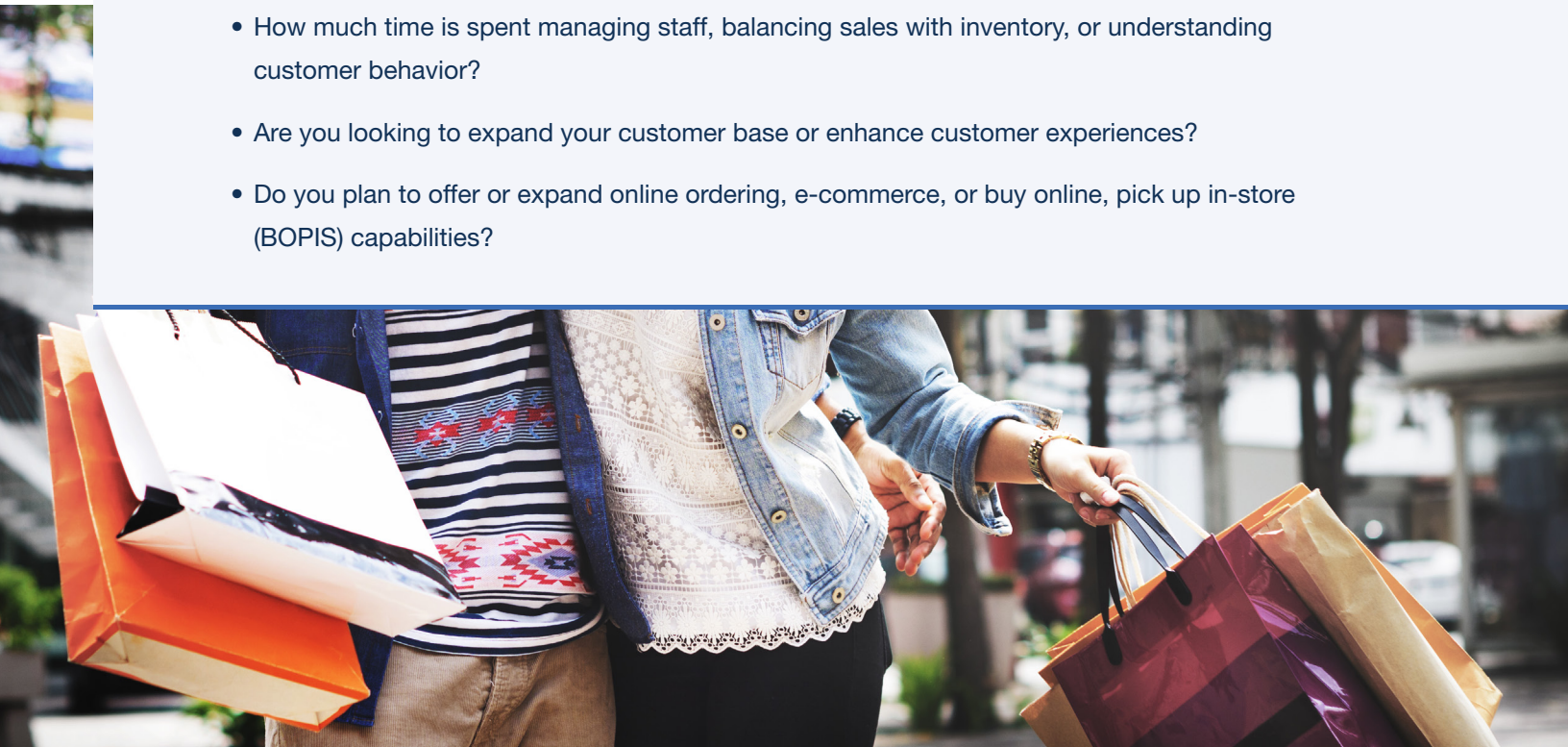
This guide aims to steer you toward the ideal POS system for your business, considering both traditional and digital sales channels.

## Step 1: Define Business Needs

Choosing a POS solution that's either missing crucial features or loaded with costly, unnecessary ones can lead to wasted time and money. To find the right system for your business, it's important to clearly define the specific challenges you want your new POS system to solve.

### You can start by asking questions such as:

- Are long lines at checkout points affecting customer satisfaction?
- Do customers leave without buying due to stock unavailability?
- How much time is spent managing staff, balancing sales with inventory, or understanding customer behavior?
- Are you looking to expand your customer base or enhance customer experiences?
- Do you plan to offer or expand online ordering, e-commerce, or buy online, pick up in-store (BOPIS) capabilities?





The answers will help you identify the pain points you want to eliminate and the goals you want to achieve with a new POS system. Also consider the amount of time you spend on operations-related tasks and whether you need the POS system to automate processes. You may also want to consider whether you need the POS system to support initiatives that can help grow your business.

Once you have identified your business needs, research POS functions that cater to these requirements. This process will narrow down your options, making it easier to choose a suitable POS system. Keep in mind that the best solutions often balance essential ‘must-have’ features with additional ‘nice-to-have’ options. Prioritize your needs to control costs, as ‘more’ isn’t always better when it comes to technology solutions.

## Step 2: Set a Budget

Determining a budget for your POS system is crucial. The typical investment for POS systems generally falls between 2 to 3 percent of annual sales for retailers and 1 to 1.5 percent for restaurants. However, it’s essential to factor in ongoing expenses like software and hardware maintenance, updates, and technical support.

Explore payment options to find what best suits your financial plan. Many businesses opt for financing to spread out the initial investment. Leasing or lease-to-own arrangements for POS hardware can reduce upfront costs but may increase the overall expenditure. An increasingly popular choice is POS-as-a-Service, which offers the system, along with regular software updates and upgrades, for a regular subscription fee. This model allows you to use the system without owning it outright.

When evaluating these options, consider both the total cost of ownership (TCO) and the return on investment (ROI). While a full-featured POS system might initially seem pricey, its long-term financial benefits can be substantial. These systems can significantly reduce labor costs, enhance inventory and order management, improve cash tracking, and curb losses from shrinkage. Additionally, a comprehensive POS system boosts sales through more effective customer engagement and service, providing real-time insights into every aspect of your business.



## Step 3: Shop for Software

As you consider your options, you will find that not every software solution is compatible with all POS hardware. Selecting your software first will prevent you from being limited in functionality.

### There are different types of software you can choose from:

- **Native.** Native POS software is installed on your POS hardware. It is easier to customize than cloud-based software.
- **Cloud-based software (Software-as-a-Service, or SaaS).** In a SaaS model, software is delivered via the cloud, and you pay for it on a monthly subscription basis. Also, cloud-based software can be accessed from anywhere there is an Internet connection, giving you enhanced visibility into, and control over your operation. Customizing this type of software may be difficult.
- **Hybrid software.** This software can be run online in the cloud or offline.

It can be helpful to research the types of POS software that other businesses like yours are using. Find out through references or reviews if these retailers or restaurateurs are happy with the type of solution, the functionality it provides, and the benefits the solutions provide to their businesses.

It can also be helpful to learn about the POS software vendors that provide the software, gaining insights on the level of customer service they provide and their experience working with companies in your market or industry. Also consider whether the vendor is an established company — one that is not likely to close its doors and leave you without support for your system.

Once you have created a list of POS solutions to consider for your business, it's time to arrange for demonstrations. Using the solution yourself will give you a sense of how easy it will be for your employees to learn, to use efficiently, and to discover whether it will support your operations. It may be helpful to compare similar features side-by-side to arrive at an accurate assessment of the best solution for your business.



## Step 4: Find Compatible Hardware

Choosing compatible hardware for your POS system is a crucial decision heavily based on your chosen POS software. As you explore your hardware options, consider the specific functions and locations where the POS system will be used:

**Identifying Functional Needs:** Determine where and how the POS system will be utilized in your business. Will it be for front-of-house operations like customer checkouts? Or back-of-house for inventory management and labeling? Understanding the primary function will guide your hardware selection, ensuring it's tailored to your operational requirements.

**Mobile POS Integration:** Mobile POS devices can enhance customer service with features like line-busting, in-aisle assist, and pay-at-the-table. Decide whether to integrate mobile POS with a stationary setup or use it as a standalone system.

**Selecting Essential Peripherals:** Choose peripherals like label and receipt printers, cash drawers, POS scales, PIN pads, payment card readers, and barcode scanners that best fit your specific business needs, keeping in mind the diverse customer payment preferences.

**Ensuring Payment Flexibility:** Your POS system should support a variety of payment methods to meet modern market demands. This includes EMV chip cards, NFC for mobile wallets, QR code payments, app-based options like PayPal, and emerging methods like cryptocurrency and Buy Now, Pay Later (BNPL) services. Versatile payment options enhance customer convenience and satisfaction.

**Choosing the Right Terminal Design:** Consider your physical space and aesthetic. Whether you need a traditional POS terminal, a compact all-in-one system, or a sleek tablet POS setup, the design should complement your store's ambiance while supporting efficient operations.

Be sure to thoroughly research your options for POS hardware vendors just as you did for your software vendors. Look for feedback from businesses similar to yours, and ensure the vendor offers comprehensive warranties and support. By carefully evaluating these aspects, you'll select POS hardware that not only meets your current operational needs but is also adaptable to future business growth and changes in consumer behavior.

## Need Help Navigating This Process?

Selecting a new POS system is a significant decision, and navigating the various options to find the ideal fit can be quite a task. Luckily, you don't have to do it alone. Value-added resellers (VARs), experts in POS systems for retail and hospitality sectors, are available to guide you through this process. They can assist in evaluating your business needs, setting a practical budget, and choosing the most suitable solutions for your unique business requirements. Furthermore, these specialists offer invaluable support in system deployment, training, and ongoing technical assistance.



## About Star Micronics

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