

# HP and ISS Retail wrap up a new point of sale system for The UPS Store and Mail Boxes Etc.



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– Tim Davis, Chief Information Officer, Mail Boxes Etc., Inc.

#### Executive summary

Mail Boxes Etc., Inc. (MBE), a wholly owned subsidiary of UPS, maintains more than 5,600 locations worldwide under the two brand names "The UPS Store" and "Mail Boxes Etc." Its point of sale (POS) system is the heart of the retail operation, allowing stores to perform retail transactions, and delivering up-to-date retail data that helps MBE headquarters make daily business decisions. MBE's aging in-house-developed POS system was difficult to maintain and lacked critical features. MBE needed an agile solution the IT team could quickly and easily update, and a single source for in-store technology. Above all, the company needed a stable POS solution they could deploy enterprise-wide across thousands of locations in a multi-year period. Working with ISS Retail, an HP strategic in-store solutions provider, HP brought together the special expertise MBE needed, and pulled together a POS hardware solution - including the HP rp5000 Point of Sale System and dozens of components. Meanwhile, ISS Retail moved its Touchpoint POS software to the Microsoft® .NET platform, which enabled needed features, more compact applications code, an enhanced user interface, and more economical support.

## The UPS Store®



#### HP and ISS Retail upgrade MBE POS

MBE faced a challenge when the company found that its old POS system could not keep pace with rapid growth and expanding needs. Technology had advanced since the company deployed the homegrown solution, the staff had difficulty supporting the code, and the system had limitations. For example, MBE needed analyses to the item (SKU) level ("6x6x6 Box"), but the old system could go only to the profit center level ("Retail Shipping Supplies"). MBE took on the challenge of identifying a new POS system for its franchisees, but they did not want to develop it themselves. "The challenge of building and deploying a new POS was not a good match to our core competencies, which are in integrating and analyzing data," explains MBE Chief Information Officer Tim Davis. "So we made the decision to buy and align with a provider, rather than build it ourselves."

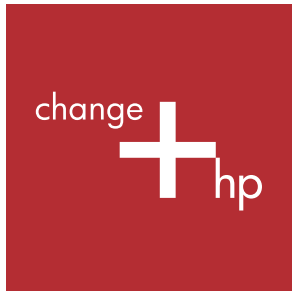
After an extensive RFP process, MBE selected the HP-ISS Retail combination in spring 2003. HP built the hardware solution around the HP rp5000 Point of Sale System, a stable, highly manageable platform. The solution incorporates industry standards and features tailored to the retail environment.

On the software side, HP brought in HP strategic in-store solution provider ISS Retail. "We selected HP and ISS Retail as a first-rate combination of technology, cost, value, and performance," Davis explains. "HP pulled together the right business solution provider and all the hardware and software pieces so that we could successfully deploy a new POS solution in our large-scale retail environment."

#### Certified, multi-year delivery

A critical issue for MBE was maintaining hardware and software consistency through two-and-a-half years of deployment. The HP rp5000 Point of Sale System, for





example, has a three-year warranty and a five-year product lifecycle. "We chose the HP rp5000 Point of Sale System, the Microsoft Windows® XP operating system, and the .NET development platform because we knew these building blocks would be there for the duration," explains Davis. "In the middle of a multi-year rollout, you want a stable technology. You need to know that when you buy more hardware next year, it will have the same configuration as the hardware you bought last year and this year. This is a critical requirement for a large-scale retail enterprise."

MBE started the new POS hardware rollout in early summer 2004, and plans to complete the installation of approximately 4,700 systems by June 2006. Systems arrive at the stores with all the hardware pieces pre-assembled and tested, including the HP rp5000 Point of Sale System, scales, thermal label printers, bar code scanners, and card swipe devices. HP arranges supply chain logistics and drop shipments to the stores with the base software image installed and ready to go. UPS Technical Support installs the systems.

**Ringing up business**

Davis considers the POS system the most important piece of technology in the stores: "If you can't ring up customers, you're out of business." In stores across the enterprise, the POS system handles 750,000 retail transactions a day, including price lookups, online credit authorizations, package weighing, label printing, invoice printing, and cash transactions. It was critical to provide franchisees a system that was flexible to handle a variety of transactions because The UPS Store and Mail Boxes Etc. locations offer much more than shipping – document services, office products, faxing, and specialized corporate account transactions all had to be considered.

At the corporate level, the POS system retrieves retail transaction data and generates the reports and analyses

that help MBE to see which products are moving well and which need more work, make forecasts, and develop business plans. Says Davis, "The new HP-ISS Retail POS system provides more specific data, which helps the corporate office make more informed decisions before introducing new products or changing existing ones."

Initial in-store installations incorporated Version 2 of ISS Retail's Touchpoint POS software. In 2005, ISS Retail introduced Touchpoint POS Version 3.0, built on the Microsoft .NET platform. In five weeks in mid-2005, ISS Retail deployed the new .NET release to over 2,000 sites that already had the new POS hardware. They deployed the software automatically from MBE headquarters over the network in overnight batch processes. Now, as the company deploys hardware to new stores, MBE has the .NET release already installed.

**Posting gains in productivity**

Moving their software to the .NET platform helped ISS Retail develop features faster and reduced the code base for the MBE system. With many functions built-in to .NET, developers need to build less new code and support less code, resulting in higher productivity for them and lower costs for system users.

"We looked at a number of pieces of code in the solution, and the average was 34 percent fewer with Visual Studio .NET," explains ISS Retail's Chief Operating Officer Barry Henderson. "Our developers estimate that it takes them about 20 percent less time to build the same amount of code using .NET. The HP-Microsoft .NET solution lets us concentrate on developing features that are important to the end user in the retail environment, because we don't have to work on low-level functions."

**A winning package: ISS Retail + Microsoft .NET + HP**  
For The UPS Store and Mail Boxes Etc. franchisees, in-store capabilities of the new POS system include: a time

and attendance package; integration with the UPS manifest system for scheduling and tracking; credit card processing via Internet, rather than slower dial-up;

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automated input of POS data into the stores' QuickBooks accounting package; and multi-currency and multi-language capabilities, allowing deployment across the U.S. and Canada. MBE's Davis reports that franchisees are enthusiastic about the new POS system: "Franchisees tell us the new POS systems are far more stable than previous configurations, resulting in less downtime, and the greater flexibility improves in-store performance. Better, more accessible reports are a big plus, especially for those who are hungry for data to manage their operations."

Concludes Davis: "ISS Retail's POS expertise, the power of the Microsoft .NET Framework, and HP product quality and leadership yielded an excellent solution for MBE. Franchisees enjoy needed features, and MBE gained an agile new enterprise POS system, fast access to more retail data, and a smooth-running multi-year deployment to thousands of stores."

#### About Mail Boxes Etc., Inc.

Mail Boxes Etc., Inc. (MBE), which franchises The UPS Store and Mail Boxes Etc. retail locations, is the world's largest franchiser of retail shipping, postal, and business service centers. UPS acquired MBE in 2001. The more than 5,600 independently owned and operated The UPS Store and Mail Boxes Etc. locations worldwide cater to mostly small and home-based businesses and general consumers, offering packaging, parcel shipping, 24-hour mailbox access, copying, printing, faxing, office supplies, and other postal and business products and services. In the United States, The UPS Store and Mail Boxes Etc. locations are typically located in shopping centers and commercial complexes, but can also be found in special venues such as hotels, convention centers, military bases, and universities. MBE has granted master licenses in more than 80 countries. Additional information is available at [www.theupsstore.com](http://www.theupsstore.com) or [www.mbe.com](http://www.mbe.com).



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## At a glance

### HP Services

- System integration
- Logistics, including assembly, testing, certification, and drop-shipping to customer sites
- HP Critical Service for 24x7, 4-hour call-to-restoration support

### Software

- Microsoft Windows Server 2003
- Microsoft SQL Server 2000
- Microsoft SQL Analysis Server
- Microsoft .NET Framework
- Microsoft C#
- Microsoft Visual Studio .NET
- Microsoft Visual Basic .NET
- Microsoft Business Intelligence Transfer Service (BITS)
- ISS Retail Touchpoint POS software, including Software Update Download System (SUDS)

### Hardware

- HP rp5000 Point of Sale System platform
- Third-party hardware including monitors, scanners, touch screens, scales, and thermal label printers

## Business needs

- Upgrade POS system at 4,700 retail sites
- Add critical software functionality
- Enable faster, more efficient software upgrades
- Provide stable hardware-software platform for multi-year deployment
- Enhance movement of data from POS system to data-analysis system

## HP solution

- HP is MBE's source for POS technology, along with HP in-store solutions provider ISS Retail for POS software
- The HP rp5000 Point of Sale System platform provides a stable, highly manageable solution
- HP provides assembled, integrated, tested, and certified systems
- ISS Retail moved its POS software to the Microsoft .NET development platform

## Customer results

### Simplicity

- HP provided a single source for POS technology
- HP brought in solutions provider ISS Retail for specialized application expertise
- HP provides assembled and drop-shipped complete POS systems, facilitating enterprise-wide deployment

### Agility

- ISS moved POS software to .NET platform, allowing faster, easier software development
- Stable hardware/software platform enabled multi-year deployment with
- Rolled out .NET based software solution to more than 2,000 sites in 5 weeks
- Delivery of more detailed sales data allows home office to make better informed business decisions, develop more accurate forecasts

### Value

- Reduced application code 34 percent, reducing software maintenance cost
- Improved ISS Retail's software development productivity an estimated 20 percent, allowing faster feature development
- Added multiple features to enhance in-store performance and productivity
- Added multi-language, multi-currency features to enable multi-country deployment

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