

POS Recommendation

To: Gary Schumacher
From: Sarah Romney
Date: 3 April 2019

Mr. Schumacher:

Congratulations on becoming the new owner of Quail Creations. Under your leadership, we have an excellent opportunity for improvement and growth in the business. Regarding your request to research the options for a new POS system, I have explored the different features available and criteria to consider when deciding on the right option. In this report, I will highlight the criteria that should be considered when selecting a POS system, present the top three options, and offer a comparison based on our goal to modernize our operations and expand our online presence.

Criteria to consider:

Cost: What are the initial payments, monthly fees, and per-transaction costs?

E-commerce: Is there an option for online sales?

Payment processing: Is there a built-in payment processor, or does it require additional equipment?

Cloud vs. server: Is the system cloud-based or server-based? A growing trend is to have cloud-based systems, which eliminates the need for a server.

Inventory management: Is there a way to manage inventory in the system? If so, how much inventory does it allow for at a time?

Employee management: Does it allow for you to keep track of employees (I.e. clock in and out, etc.) How many system users does it permit?

Reporting: Can it analyze transaction history and predict future trends?

Offline function: Can the system function when the internet goes down?

Customer support: Is there a 24/7 support system for when there are technical problems?

Customer Management: Does the system enable you to keep track of customer information?

Special features: Does it enable gift cards? What other unique features are available?

Top 3 Options

I have researched the available POS Systems and selected the top three options for your review. All of them are cloud-based and Software as a Service (SaaS), meaning that rather than paying a high price to own a version of software, users pay a monthly or yearly fee that grants access to the newest versions, all updates, and consistent user support. Regarding the pricing, I have estimated the cost per year, assuming we have two registers at each of our three stores. An itemized cost breakdown is also included at the end of this memo.

1. Bindo

Pros: Bindo offers e-commerce, mobile sales and payments, gift cards, employee management, and customer management. It is also simple to understand and use.

Cons: It does not function offline and there is no reporting or 24/7 support.

Cost: **\$3,408** per year

2. Shopify

Pros: Shopify is great for E-commerce, easy to use, and small-business-friendly. It also includes payment processing, inventory management, and 24/7 support.

Cons: It does not function offline and users must pay more for reporting and gift card use.

Cost: **\$4,476** per year + **per transaction costs**

3. Vend

Pros: Vend includes a built-in loyalty feature, inventory management, reporting tools, and 24/7 support. It also functions offline, in case there is no wi-fi.

Cons: It does not include a built-in payment processor (a third-party must be used) or employee management function. Only the Pro version offers E-commerce.

Cost: **\$4,488** per year + **third-party payment processing fees**

	E-commerce	Payment processor	Cloud-based	Inventory Management	Employee Management
Shopify	✓	✓	✓	✓	x
Bindo	✓	✓	✓	✓	✓
Vend	✓	x	✓	✓	x
	Reporting	Offline function	24/7 Support	Customer Management	Gift Cards
Shopify	✓	x	✓	x	✓
Bindo	x	x	x	✓	✓
Vend	✓	✓	✓	✓	✓

Comparison

Of the three, the Bindo “Basic” package is the most cost-effective option, while still offering all the features that are central to modernizing our POS and expanding our online presence.

However, Shopify is the best-rated option for e-commerce, so the higher price may be a good investment for our online store. The only significant edge Vend offers is offline functionality.

Please let me know if you have further inquiries regarding the options. I look forward to the upgrades we will undergo with the POS Systems and think that it will be very beneficial towards the success of this business.

Cost Breakdown

Bindo	Essentials	Basic
\$3,408/yr	<ul style="list-style-type: none"> • \$59/month for first register + \$39/month for additional registers • \$150 activation fee (waived for annual agreement) • Allows for 5 users, 500 products, and unlimited customers 	<ul style="list-style-type: none"> • \$89/month for first register + \$39/month for additional registers • \$250 activation fee (waived for annual agreement) • Allows for 15 users, 2,000 products, unlimited customers • Includes loyalty program, QuickBooks, e-commerce, and Xero
Shopify	Basic	Regular
\$4,476/yr +per transaction	<ul style="list-style-type: none"> • \$29/month + 2.7% + 30¢ per transaction (2.9% for online sales) • \$49/month for hardware • Allows for 2 users and unlimited products 	<ul style="list-style-type: none"> • \$79/month + 2.5% + 30¢ per transaction (2.6% for online sales) • \$49/month for hardware • Allows for 5 users and unlimited products • Includes reporting and gift cards
Vend	Light	Pro
\$4,488/yr +third-party fees	<ul style="list-style-type: none"> • \$99/month for first register + \$49/month per additional register • Additional fees required for third-party payment processing 	<ul style="list-style-type: none"> • \$129/month for first register + \$49/month per additional register • Additional fees required for third-party payment processing • This version includes E-commerce

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Student name: Sarah Romney **Date:** 3 April 2019