



2007 Skyrocket Partner for Microsoft Dynamics™ Retail Management System



Digital Retail Solutions

(800) 322-9471 FAX: (781) 634-6530
Canadian sales: (800) 353-0268
John Chang, Vice President Retail
john@digitalretailer.com
www.digitalretailer.com
PMB 205
2018 Electric Road
Roanoke, Virginia 24018

System and Retail Specialties

We sell widely, but specialize in action sports, bicycle and outdoor retail, gift and other microniches. Customizing Microsoft Dynamics RMS has made us experts in its workings.

Our Business Guidelines

Fast-growing partners usually sell to single stores, big accounts, and whole industries. A mix of customers balances the seasonal aspects, the ups and downs of any given microvertical, and the economy in general.

Why Microsoft Dynamics RMS

- Our add-ons make it highly profitable to sell, install, and service.
- We help deserving retailers to succeed against big-box stores.
- Customers highly appreciate our help.

Best Business Advice Ever...

Take the time to listen. Just listen.

Digital Retail Solutions Achieves 30% Increase in Sales of Microsoft Dynamics Retail Management System

Awards and Recognitions

- Microsoft Certified Gold Partner
- Microsoft President's Club Awards – 2004, 2005, 2006
- Microsoft Dynamics Retail Management System - Solution Developer Awards – 2005, 2006
- Excellence Award Winner - USA Partner – 2005
- Retail Excellence Award Winner - Business Development – 2004

In 30 Seconds or Less

We make certain we know each customer's ways of doing business. Because we serve micro-niche markets in great depth, our questions to prospects immediately show that we know their industry and their pains. We say, "We'll help you get back to doing what you like about retail. Are you interested?"

DRS clients know they're the most vital part of our business. To gain and retain their trust, our actions must show their needs are our *highest* priority.



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John Chang, Vice President, Retail, Digital Retail Solutions

Our Track Record

We’ve sold Microsoft Dynamics Retail Management System for five years and sell no competitive products. We work with other Microsoft Dynamics RMS partners to provide add-ins and customizations to help them close more sales in their markets.

Staff are divided equally between sales, support, and development. More than half our revenue comes from software sales, including maintenance plans. Hardware and supply sales bring in more than a quarter, with the balance split between services and training—and training is a must. A strong subset of our software revenue is our Microsoft Dynamics RMS add-in and custom programs sold by us and other partners.

Ninety percent of customers are single stores with one to five lanes, but one has 19 licenses. Our largest chain has 10 locations.

Retail Specialties and Expertise

Our core enabler is strong technical knowledge of Microsoft Dynamics RMS, but we don’t sell ourselves as technologists. We sell the concept of designing systems that really solve a niche retailer’s day-to-day transaction and operation problems.

Our growth segment includes action sports, such as bicycle and outdoor retail, plus gift and specialty retailers in several verticals. Our add-ins deliver niche-specific functionality and automation that retailers can’t find elsewhere at the price and reliability that our installations of Microsoft Dynamics RMS provide.

Why Microsoft Dynamics RMS?

Microsoft Dynamics RMS is the core application we depend on. If there were no Microsoft Dynamics RMS, there’d be no DRS. It’s very profitable to sell, install and service, due to the uniqueness of our bundled solutions and the acceptance of the Microsoft

name within the small business market. We sell RMS at the full 45 percent margin.

We get a real kick out of helping independent retailers succeed against Goliath. They gathered, mortgaged, and borrowed all the money they could find. They bet it all to make their passion their job. We help them succeed in spite of all the big-box stores. Our help is very meaningful to them in very visceral ways.

How We Help Partners Prosper

We help partners provide total solutions to highly diverse retail markets they can’t reach without us.

We’re actively expanding our midmarket and ERP relationships with partners. Getting our Microsoft Dynamics RMS customizations into a retail organization—especially one that another partner hasn’t yet penetrated—lays a foundation for a gradual influx of all their other Microsoft products and services.

Once familiar with Microsoft, customers will look first to that brand and existing partners for upgrades. Only our combined strengths can open the doors to many big-money accounts. DRS can also be invisible, working directly with a partner to build custom solutions and provide necessary training to their sales and support staff.

While our success is built on selling a suite of tools for Microsoft Dynamics RMS, we can also break our solutions into neat little modules, selling only those required for specific needs. Or we can build modules and solutions to spec.

Conversely, as we meet prospects who require accounting integration and ERP, we can open doors for partners who sell those end-to-end solutions. When they walk in with us, they’re under our mantle of pre-established credibility. It’s an automatic walk to third base. So we’ll vet carefully anyone we

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introduce because our reputation is then on the line with our customers.

What We Did Right to Expand

We went from selling horizontally to really digging into and selling to key microvertical niches. We began with bicycle and action-sport markets, but have expanded. Leveraging this knowledge, we build trust faster with new prospects because they know we’ve already mastered the niche problems they thought were insoluble.

Although microverticals differ greatly, we were able to economically reuse our niche-specific marketing materials, pain-discovery questions, and even technical solutions, from one sale to the next with no or very few changes. For example, all board sports (snowboards, surfing, skiing) are strikingly similar. Even better, our add-on that provides enhanced special order tracking resolves an issue common to all types of retail channels.

Our add-ons also “reach backward” to provide retailers connectivity and automated links to their suppliers. Our intelligent import tool allows stores to quickly parse through thousands of SKUs on suppliers’ sites, then populate Microsoft Dynamics RMS only with items that retailer intends to carry. We enable submission of electronic purchase orders and stock checks at supplier warehouses. Each step is a huge time saver for the retailers and their trading partners. Together, they make a fat impact on the bottom line.

To get higher volume of sales in tight niches, we have built strategic relationships with the leading manufacturers or distributors who permeate their industries. To gain their backing, we self-funded development of several industry-specific, supply chain solutions. We worked with the major supplier in the bicycle industry to integrate with their Microsoft Dynamics™ AX system.

Once we had proven ourselves as serious experts in their industry, other suppliers asked for similar integrations. As a result, we’ve made Microsoft Dynamics RMS a dominant player in this microvertical after only three years.

We’d like partners to contact us about helping them build out the retail aspects of the customers and markets they know best.

Challenges We Met and Beat

There was a lag time as people recognized and respected our brand and added benefits. So as we were developing vertical solutions, we continued to sell solutions to independent retailers, as we still do today. That kept us operational while the market caught on.

It took us a little time to realize that the key to selling more Microsoft Dynamics RMS is to immediately present a total solution. Now we actively promote that with our and others’ add-ins during every presentation. You can’t predict a customer’s unspoken needs, so we find it’s much easier to sell accessories and eye candy during the first round than to bring them up later. This type of solution selling is paramount to closing more sales.

We’ve also learned that each vertical market differs in when they want to and can buy. You need to constantly shift from one segment to another, and sell during their seasonal lulls.

We Corrected a Misstep When...

We tested many new verticals to look for good fits for our skills and tools, but the way we used to do it was too expensive, too detailed, too ambitious. In testing one market, we did too much demand-generation before the show. Once there, we realized that industry is mostly B2B and chain stores; they weren’t looking for POS solutions.

We always look for new microverticals, but now we have more efficient ways to explore

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them. We’ve drastically changed strategy on identifying which markets merit investment.

How Microsoft Helps Us Grow

Microsoft backed us up with many case studies of our happy customers, with a sporting goods data sheet, the Microsoft Dynamics RMS leave-behind kit, direct mail postcards, and Microsoft telemarketing tools.

Our Microsoft-sponsored case studies are, by far, the most compelling piece of literature we offer. They validate that bundling Microsoft Dynamics RMS with our know-how delivers a proven solution for our markets. When a prospect reads a case study about their industry, it instantly moves us forward. We just proved we have the viable solution. That’s huge. There’s no, “Does it do this or that?”

And We’re Still Growing

We’ve set goal of 30 percent revenue growth—at a minimum. We’ll do that by penetrating two new verticals using our improved market exploration methods for untried areas.

We’ll push more supply chain integration, find new Microsoft partners, and cultivate new strategic partners in the markets we pursue.

We realize a key element in building relationships with other partners is coaching them to deploy our methods to build their markets and close more deals. A win for them is a win for us and for Microsoft.

Planning, Building, and Selling

We spend about 20 percent time in planning, strategizing, and reviewing progress. The other 80 goes to development, strategic alliances, selling, installation, and support.

We plan with the idea that the best is yet to come in 2008 and beyond as Microsoft moves the Dynamics platform toward a unified stack of products and services.

Who We Hire—and Don’t

We like to see retail experience with some technical knowledge—not vice versa. We need people who will learn and understand the customer’s business long before they go in to make a sales or service call. That lets us ask focused questions. It shortens the discovery process, and inspires instant credibility. Customers are flattered that we walk in knowing their passion and their problems.

Then our people need the skills to sit back and listen without interrupting! It’s hard to let someone talk until they’re finished. It’s tempting to interject your ideas and expand upon what they’re saying. But that’s more showing off than learning.