

Transacta Enables Virgin Mobile Retail Growth

Having acquired the Virgin Mobile brand in 2006, Optus wished to treble its retail presence. The barrier it found, however, lay in the point of sale (POS) system on which the existing chain of retail outlets ran. And, more than just an obstacle, problems related to its POS system were already gnawing at the heart of the enterprise and limiting its expansion. It was Transacta's In-Touch POS system that proved the key to unshackling Virgin Mobile.

According to Nick Read, Virgin Mobile's project manager, the existing system had a number of significant problems including corruption, an inability to report accurately on sales figures or stock levels, and difficulties adding new users. "It had got to the stage where we could no longer tell which stores were having issues and which stores weren't. There were also a significant number of products that wouldn't scan in. Over time, products' bar codes had changed and no one knew how to change them at head office, or couldn't change them to enable recognition through the POS system. And when you want to expand a chain of stores, these are not the sort of blocks on which you wish to build."

As frustration grew, Virgin Mobile knew it had to find a solution if it were to open any new stores, and at the end of 2007 had begun its search for a POS replacement. Transacta was highly recommended by a retail team member who had formerly worked with another mobile phone chain using Transacta.

New life begins in a day

Drawing from the experience gained through providing a POS system to Vodafone and other retail customers, Transacta presented a day in the life of a mobile store. "We addressed each of the activities and highlighted how we could provide continuity of their business functions and add scalability through Transacta's In-Touch POS system, whilst reducing operational costs, improving customer service and installing best practice," explained Transacta retail consultant, Bruce Johnson.

Virgin Mobile assessed four different vendors, including the one Optus uses in its Optus world stores and ultimately selected Transacta's In-Touch POS system. Nick Read said, "Look and feel was one of the key items. It was important to get something that was up market, that looks young and fresh – in keeping with Virgin Mobile's brand. Another was connectivity. If the store went offline, they couldn't continue to trade with the Optus solution. But with the Transacta solution, this was not a problem, as the stores can continue to trade when offline."




Transacta is a point of sale software vendor specialising in the development and sales of software and services to mid-sized retailers in the Australian, New Zealand and Asia Pacific markets.

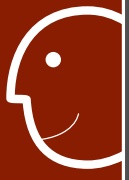
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Ease of use was also important. “Because we had 13 new stores coming along, we didn't have a great historic training procedure so it needed to be very intuitive so staff could just start using it without lots of training. The Transacta interface is very simple. Optus' solution is quite complicated with lots of menus, lots of choices; it is easy to make mistakes. So Transacta seemed to be an easier solution to get up and running.”

And speed to market was fundamental. “We had to get the stores operational within six months, so it was essential to partner with a vendor that could promise, deliver and deploy a POS system within a couple of months.”

From early steps come big strides

Once Transacta got the go ahead, things moved quickly. Using the experience of Vodafone, where there are almost 200 retail stores using In-Touch, the Transacta team spent a day in February 2008 reviewing Virgin Mobile's store operating processes. A key part of the review was looking at how best practices could be applied. Next, Virgin Mobile was provided with a report highlighting their current practices, where they should be, and a detailed plan of how the new POS system would be implemented.

The initial release of Virgin Mobile's In-Touch POS system was received in mid-April 2008. Virgin Mobile store managers were brought in for user acceptance testing and there were only a small number of changes to make before the pilot. The changes, Nick Reed said, were

minor. “It was mainly cosmetics, but also a few reporting refinements which were changed quite easily.”

In early May 2008, the pilot was deployed at Virgin Mobile's Miranda store. By mid to late May, the Transacta In-Touch POS system was ready to deploy to two brand new stores. The new POS system has now been implemented at all 17 of Virgin Mobile's new stores and there are only two old stores left to convert.

Nick Reed said that in the normal course of events, “I would have expected more issues to come back from the stores. But Transacta got it right the first time. In my experience this was unusually smooth. Looking back to our original workshop, Transacta confirmed best practice and they delivered it to us.”

For Virgin, he said, “The benefit of the Transacta POS system is having control over the inventory that is being sold. They have good reporting, they can see what is selling, what isn't selling and you can see who is actually selling what products. All of which leads to greater security and less 'shrinkage'.”

Phase one also included integrated EFTPOS, so now there are fewer errors and much lower merchant costs. The next phase to integrate the EPAY functionality / recharge vouchers is scheduled for September 2008. This is just another module in Transacta's interface suite.



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