

## Point of Sale (POS) Best Practices

1. **Point of Sale systems (POS) provide the ability to transact as well as manage physical retail stores.** POS “registers” are powered by software that runs on stationary computers and mobile devices that interface with payment devices for processing sales and returns. Modern systems typically synchronize all transactions with a central server hosted in a data center or in the cloud. Most POS systems provide “back office” functionality which may include inventory management (receiving, cycle counting, transfers, mark out of stock, etc.), sales reports, labor management/time clock, sign printing and interfaces to host ERP systems.
2. **There are a number of credible and functional POS systems which can be licensed in a variety of ways, and at different price points.** POS systems are rarely developed in-house. Create a detailed list of requirements that documents in-store selling, service and management objectives. As you search for software that matches your objectives, consider how you want to deploy backend POS servers (internal data center, externally hosted or SaaS). There are advantages and disadvantages to each deployment model and a POS consultant can help with system selection and deployment strategies.
3. **For omnichannel retailers, POS is an integrated selling channel.** A POS system which supports the same customer experience (pricing, promotions, products, loyalty, gift cards, order history, etc.) as other sales channels should be tightly integrated with other channels. Ecommerce transactions are typically integrated to support returns in physical stores. Buy online and pickup in store (BOPIS) requires functionality for store associates to pick, pack and confirm that orders are ready for pickup. POS may also be used to place orders for inventory located in the ecommerce warehouse or other stores (“endless aisle”). Buy online/ship from store extends the online merchandise assortment with store inventory and treats stores as fulfillment locations.
4. **PCI DSS (Payment Card Industry Data Security Standards) compliance is mandatory.** Most credible POS providers are PCI DSS compliant. Remember that PCI DSS is not a complete security framework, and that security above-and-beyond PCI DSS should be part of your POS selection considerations. Credit card **tokenization** through payment devices connected to registers provides the best credit card protection.
5. **Create a financially factual business case to justify an investment in POS.** Your business case may include ease of use and training benefits (expense reduction associated with retail turnover), better workforce management, more effective selling tools, faster checkout, incremental sales through omnichannel, PCI DSS compliance, and improved back office/inventory management.
6. **Host system integrations have moved beyond batch file transfers.** FTP or other batch file transfer systems are still used in many POS-host system integrations, however ‘trickle’ polling (asynchronous continuous store data upload/download), real-time, web services/APIs and other integration technologies will provide reliable integrations for visibility to near real-time sales and inventory data. Look for systems that are designed to sync with a central server in in real-time but also have “offline” capabilities that enable transactions to occur in stores even when the connection to central servers is interrupted.
7. **Evaluate data management and promotional capabilities.** Proper data management is critical to a successful POS implementation. Item information and price updates need to flow smoothly from ERP systems to the POS central server daily. The POS system should provide a user interface for the creation, management, and scheduling of store promotions and coupon codes. Do a deep dive into what types of promotions are supported, if they can be combined and that promotions can be applied easily in stores.

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# eCommerce Diligence™ Checklist

## Point of Sale (POS) Key Questions to Ask Providers

### Company

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1. How many active clients do you currently have? How many have you lost, and why?
2. How many registers currently run your system? What is the total GMV of products that are sold through your system?
3. How many system integrators can implement your system? Who are they?
4. What is your YOY growth in licenses?
5. Do you specialize in a specific retail segment?

### Products/Services

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1. What infrastructure is required at the store? At headquarters?
2. What additional software or hardware is required for your system to function?
3. Do you provide implementation services or is implementation provided by system integrators?
4. What are the low and high estimates for implementation timelines?
5. What technical support services are available?
6. Is your support team located in the US or abroad?
7. What is your SLA for support issues?
8. Do you provide a level 1 support call center for stores?
9. Do you have a support knowledge base, community forum, or applications that are shared by customers?
10. Do you provide tuning and performance testing expertise?
11. What is your release cycle? Patch cycle?
12. Do you provide operational audits?

### Features

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1. Do you have a SaaS or a hosted option?
2. Is your system PCI DSS compliant? What additional security features do you provide?
3. What key features are included in your solution?
4. What features are currently missing, on your roadmap, does management love? Shoppers?
5. What is your product's competitive advantage over other packages? Why?
6. What functions can be centrally managed from the home office?
7. What other modules are part of your offering?
8. What Retail standards does your product support?
9. What pre-integrated software from other vendors do you support?
10. How would we get on your road map committee?
11. Does your system use a centralized database where all store transactions are synchronized? Does your system support off-line transactions when connectivity to a central server is lost?
12. Describe your localization/globalization features and functions.
13. Do you support sales tax/VAT calculation without customization or purchase of additional software?
14. Describe your promotional capability.
15. Do you support loyalty programs?
16. What payment methods do you support?
17. What polling technology do you use?
18. Are your applications browser-based?
19. What is your preferred technology stack? What mobile devices does your system run on?
20. Do you provide customized ETL functionality?
21. Do you provide tuning and performance testing expertise?
22. Describe your management console(s)?
23. What can I manage with it?
24. Does it include reporting and a dashboard?
25. Please describe your reporting capabilities (batch vs. real-time, ad hoc, etc.).
26. Please provide a list of standard reports.

### Pricing

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1. Please describe your pricing model
  - a. Licensed
  - b. Service based/SaaS
  - c. Hosting
2. Is pricing based on number of users, stores, servers, transactions, GMV, or other?
3. What is the low/high end implementation cost estimate?
4. What is the pricing model for annual maintenance and support? Does that include upgrades?
5. Do you provide a level 1 support call center for stores? If so, what is the cost?

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