![CIPHERLAB logo]

CASE STUDY

CipherLab Customer Spotlight: Furniture Wizard

CipherLab's Bluetooth® Mobile Computers Helps Furniture Wizard Revolutionize the Retail Furniture Industry

Introduction

In 1997, Martin Fischbein had a problem. A 20-year furniture retailing veteran and a self confessed computer geek, he could no longer tolerate the inefficiencies he experienced in the day-to-day operations of his business – particularly when it came to inventory management. After searching for software that could help automate some of these tedious processes, he soon realized that none of the off-the-shelf offerings he tried took into account the unique needs of the furniture industry. By necessity, he became the creator of Furniture Wizard, the retail furniture market's only specifically designed software for inventory management, point-of-sale, tagging and delivery systems.

By 2005, Furniture Wizard had evolved beyond usage in his establishment to a packaged product that was assisting more than 800 furniture retailers. Fischbein had taken the next step in the evolution of his business by offering an integrated (software and hardware) solution to his customers; however, he hadn't been satisfied with the hardware vendors he had initially selected. He eventually chose to work with CipherLab, a world leader in the design, manufacture, marketing and support of AIDC (Automatic Identification and Data Capture/Collection) products and systems. The company's handheld wireless Bluetooth portable terminal for capturing/reading barcode images was the perfect complement to the Furniture Wizard software, enabling Fischbein to deliver a workhorse system to customers that was affordable and easy to use. Today, Fischbein attributes part of the uniqueness of the Furniture Wizard solution to the capabilities of CipherLab's 8061.

Outdated Sales Methodology

Before the birth of Furniture Wizard in the late 1990s, the retail furniture industry was stuck in a time warp. While many other retail sectors had introduced barcoding and other computer-based technologies to help automate inventory and sales processes and to improve the customer experience, most of the 20,000-plus furniture stores in the U.S. were still using systems that had been in place for more than 50 years. Salespeople wrote customer tickets by hand, and proprietors had to rely on their thoroughness to capture inventory control information such as color, size and lot number. Meanwhile, customers had to wait for this laborious process to end… and even then, they weren't immediately informed whether or not their selections were even in stock.

Outdated Sales Methodology

Fischbein initially determined that there were a couple reasons why the retail furniture industry was resistant to technological change. First, many of the retail establishments across the U.S. were independents, meaning that the owners would also need to act as in-house IT managers for implementing an automated sales system. Admittedly, most owners were not technologically-savvy; some were even intimidated by creating and maintaining computer networks. Second, furniture stores were facing an increasingly competitive market that was resulting in leaner profit margins, requiring any technology purchase to deliver an immediate return on investment. Third, no one had taken the time to develop a solution that addressed issues unique to the furniture industry, such as dual bar codes (UPC codes from manufacturers/suppliers and ones created by the system).

In order to tackle these issues, he needed to create a product that was cost-effective, easy to implement and, even more importantly, easy to use. CipherLab delivered the hardware that matched the criteria established for Fischbein's software, enabling Furniture Wizard to mature into the furniture industry's leading integrated system offering.

Delivering the goods

CipherLab's 8061 leads the industry as a hand-held, pocket-sized terminal with integrated scanner that offers Class 1 connectivity to a Bluetooth-enabled wireless access point. Bluetooth is a wireless technology that enables short-range communications between mobile and stationary devices; Class 1 connectivity is more robust and offers greater transmission distance than Class 2, which is commonly used in cell phones.

Class 1 connectivity enables the 8061 to deliver a great deal of flexibility to retailers, as it can be used within a radius of as much as 400 feet – making it ideal for transitioning from the retail showroom floor to the warehouse and loading dock. Additionally, Cipher Lab's 8061 is easily integrated into existing networks, including those running Microsoft® Windows® applications. It can also crosstalk to other Bluetooth-enabled devices such as printers, PCs, and laptops. This adaptability gives retailers the maximum flexibility for managing sales and inventory activities with just a modest hardware investment (the average retail operation installs 3-4 terminals).

Although small in size and lightweight, it delivers more than 100 working hours per battery recharge. It also supports SMS communication between field units and the base terminal or system.

Together with Furniture Wizard, CipherLab's 8061 delivers a unique value proposition to furniture retailers:

- the ability to handle multiple tasks, such as point-of-sale, inventory, receiving, tagging and product transfers
- the standard capability of scrolling up and down combined with the new flexibility of side-to-side visuals, enabling furniture retailers to include lengthy product descriptions into their systems that can then be read on the unit
- the unique ability to utilize either UPC codes automatically generated by Furniture Wizard or a supplier's UPC code scanned, it immediately translates it into the corresponding retail code within the Furniture Wizard system
- a versatile backlit display that is easily viewed in more dimly lit warehouse settings

Outdated Sales Methodology

- an empowering sales force tool that enables the delivery of superior customer service through immediate inventory access and the ability to request an invoice from the sales floor, reducing customer wait time at checkout
- the replacement of handwritten tags for sale merchandise or sold merchandise with ones that are professionally generated through the computer system

In the field

A long-time Furniture Wizard customer, CG Sparks of Salt Lake City, Utah, recently expanded its use of the product through the addition of CipherLab's 8061 hand-held terminal to its system. In a recent letter to Furniture Wizard staff, store manager Michael Hennessey testified to the immediate ROI he experienced through the time he saved conducting inventory tallies. "After receiving and installing your Bluetooth scanner, we tested it on a few things, then a few more things, and a few hours later we had done a full inventory of our store," he wrote. (Previously, inventory took four people two days of work.)

Another customer, Emerson's Furniture of Brattleboro, Vermont, is the oldest furniture retailer in the state, with a history that goes back more than 120 years. While proud of its heritage, the company doesn't use tradition as an excuse to ignore the potential of new technology. The retailer recently installed Furniture Wizard, enhanced with CipherLab's 8061, as a POS and inventory system. "Having the ability to receive instant real-time inventory information, specifically the quantity in stock, is a huge advantage for our sales-people," commented owner Peter Johnson.

Going forward

To date, Furniture Wizard's $1 million-plus annual sales have come primarily from customers who learned of the product through word-of-mouth. However, the Furniture Wizard package was recently judged the grand prize winner in Vertical Systems Resellers' 2005 Specialized Retail Solutions Awards competition. More accolades are sure to follow as Fischbein executes his plan to aggressively expand his customer base. And with 95 percent of the retail furniture market within the U.S. alone left to be tapped, he's got plenty of room for growth.

About CipherLab

CipherLab is a global leader in the design, manufacture, and marketing of Automatic Identification and Data Capture/Collection products and systems. The company's mobile computers and scanners are integrated into the networks of some of the world's best known logistics, retail, distribution, government installations, and healthcare companies, helping them run more efficiently and effectively onsite and on the road. Headquartered in Taipei, Taiwan with offices in China, Germany, UK, and USA with operations worldwide, CipherLab is publicly traded on the Taiwan stock exchange (Taiwan OTC: 6160). For more information,please visit http://cipherlab.com