advancedmobile
GROUP

C. Wonder Gets Down to Business with Mobile Innovation

Specialty retailer C. Wonder is built on innovation. From the merchandise it sells, to the design of its stores, C. Wonder creates a unique experience for its guests. That extends to point-of-sale operations. When the company opened its first stores in 2011 there were no cash registers – all transactions were completed using an Apple iPod with a card reader attachment and Bluetooth connectivity to a mobile printer for receipts.

Now that other retailers are flocking to tablets and smartphones for mobile POS (MPOS) operations, C. Wonder is differentiating itself again by migrating from Apple devices to enterprise-class mobile computers, the MC40 from Motorola Solutions.

"The iPod is a great device but it simply isn't designed for the retail environment, where it will be used six, eight or 10 hours a day. If you drop an iPod and crack the screen, you're done," says Larry Schiller, director of retail systems at Burch Creative Capital, the parent company of C. Wonder. "We need devices that are designed for the retail environment and will perform reliably so we can serve our guests."

Besides bucking the current mobile device trend, C. Wonder will also revolutionize its customer experience with its next-generation mobile POS system, becoming one of the first retailers in the world to integrate Android-based MPOS devices with Oracle's retail software. C. Wonder committed to Android before Oracle's Android product was released, putting the retailer on the forefront of innovation again. C. Wonder is confident that its device-software combination will provide convenience for customers and create sustainable operating advantages.

An MPOS Leader's Journey

The "C" in C. Wonder stands for customer. It comes first in the company's name to serve as a reminder that customers come first. The commitment to customer convenience led C. Wonder to implement all-mobile POS operations when it opened its first stores in 2011. The wireless, iPod-based checkout system was small, sleek and certainly passed the eye test as something new and different. Unfortunately, the equipment did not pass the drop test and lacked other essential requirements for retail operations.

At any given time, 10-20 percent of a store's MPOS equipment was out of service because of damage from normal use. C. Wonder was replacing 15-20 devices per month as it expanded from a single store in New York City's SoHo neighborhood to a 30-store (and still growing) chain with international locations. Failure rates were so high that if a store needed four MPOS units to support operations, it would be stocked with eight to ensure enough equipment was available. The safety stock tied up capital that could have been used to support growth.

The high failure rate was due in part to the fact that consumer-oriented iPods are not intended for certain types of use, but underlying product design fundamentals were also a factor. Many consumer electronics buyers are thinking about their next upgrade a few months after buying their latest device, and consequently these products are not designed to support a long life cycle. Apple is continuously refreshing its product line and its iOS mobile operating system, a business model that created numerous, unforeseen support challenges for C. Wonder.

For example, soon after C. Wonder began using the iPod Touch in its stores Apple introduced the iPod Touch 5, which had a different pin connector type and location. Because C. Wonder was experiencing frequent device failures, it had been buying new iPods to replace them. This became a problem because the pin connector changes made the new iPods incompatible with C. Wonder's payment card readers. It took the card reader manufacturer six months to design, test and produce a model that worked with the new iPods. In the interim, Schiller and the two employees supporting MPOS operations for the chain had to scramble to secure an adequate supply of compatible iPods and card readers. Later, changes to the iOS operating system caused other compatibility problems and necessitated a redevelopment of part of the company's proprietary MPOS software.

"One of the challenges we had with Apple is that they seem to be on a two-year refresh cycle. The pin connector, screen sizes, operating system and other things all changed," says Schiller. "We were very concerned about being in a position of dealing with forced obsolescence where we would have to upgrade devices on Apple's timetable, not ours. That's just not something a business can plan for and budget for."

The unreliable device performance and unstable hardware and software platform led C. Wonder to start planning its next-generation POS system. Mobility and innovation remained requirements, but product lifecycle and total cost of ownership (TCO) became much more important considerations than when the first MPOS rollout was planned.

"When you put a device into an enterprise environment like we do in our stores, the device has to last at least two years," explains Schiller.

"We weren't getting that with our Apple devices. Advanced Mobile Group did a great job of understanding our business requirements and preferences and recommending a device that was the right fit."

Getting Mobile Down to Business

C. Wonder knew it needed an enterprise-class mobile computer, so it turned to Advanced Mobile Group (AMG), a specialist in enterprise mobility that offers a complete range of services and products to help companies create efficient mobile processes. AMG had previously helped C. Wonder automate its warehouse operations and became a valued adviser, keeping the company informed of mobile computing developments.

"A retailer our size can't spend six months finding, testing, configuring and evaluating devices before a rollout. There just isn't the time or the staff," says Schiller. "Advanced Mobile Group has been a great partner and a very valuable part of the process. They have strong relationships with enterprise mobile computer makers, which was very helpful."

AMG understood that C. Wonder needed a durable, rugged mobile computer that didn't look like one. The device had to be small and have a sharp look and feel – without sacrificing reliability. AMG evaluated multiple mobile computer models from several manufacturers and recommended the Motorola MC40, which is similar in size and appearance to the iPods but is also loaded with capabilities and features for business.

The MC40 has a 4.3-inch touchscreen, an integrated imager that can read 1D and 2D bar codes and take pictures, 802.11 a/b/g/n wireless connectivity that supports numerous security protocols and voice-over-IP (VoIP) communica-tion plus Bluetooth for speakers, headphones, printers and other peripherals. It has an IP54 protection rating for dust and liquid and complies with MIL-STD 810G requirements to withstand multiple drops to a tile floor and other surfaces,

which was a significant upgrade over the previous devices.

Unlike most other handheld computers currently used in retail, the MC40 runs the Android operating system (Jelly Bean 4.1.1). One of the advantages to using Android is that it enables much more sophisticated device management than C. Wonder could achieve with iOS. Advanced Mobile Group is providing the MC40s preloaded with the SOTI MobiControl device management system, which can lock down data, block unauthorized apps and websites, detect and block unauthorized devices on the network and enable remote configuration and support. By comparison, C. Wonder's previous enterprise management capabilities for iOS devices were extremely limited.

Oracle hadn't developed or deployed its MPOS system to Android when C. Wonder was originally considering its mobile computer options. C. Wonder selected the MC40 because it was clearly the best option to support mobile point of sale, and because it had complete confidence that Oracle, Motorola and Advanced Mobile Group would collaborate to provide a reliable solution. The Android OS will also enable C. Wonder to do much more with remote device management and security enhancement than it could with the previous devices.

"Between Oracle's Android development and the MC40, this is a pure mobile solution for POS," says Schiller. "We see a potential horizon of 8-10 years for keeping these devices in service. One of the things we're gaining by working with Motorola is that they have a very solid product roadmap. Forward and backward compatibility is not something we need to be concerned about anymore now that we are off a consumer product platform."

Looking Ahead Again

By changing its MPOS devices, C. Wonder will also be changing its cost structure, TCO and ability to

allocate development and support resources. Because of high failure rates, C. Wonder previously stocked four or five extra iPods in each store (1.5-2 times as many as were actually used at any time) to ensure there would be enough functional devices while stores were open. Now it plans to stock perhaps just one extra device per store. Reducing the spare pool will improve the balance sheet by reducing capital expenses and increasing asset utilization. Plus, the total cost difference between an MC40 and iPod was minimal after accessory, repair and replacement expenses were factored. The lengthy expected lifecycle (8-10 years for the MC40s, compared to two years or fewer for the iPods) will also do wonders for C. Wonder's return-on-assets metric.

C. Wonder believes it has put its device reliability problems behind it and can return its focus to what the company does best – innovating. "Before, we spent most of our time on just stabilizing the system – making sure we had enough working mobile computers and card readers in each store to support operations," says Schiller. "Now we expect our failure rates to be much lower. We're going to take the time we used to spend on support and use it to put a lot of new functionality into our stores." •

About Advanced Mobile Group

Founded on a commitment to service, accessibility and hands-on support, Advanced Mobile Group provides tailored, industry-specific solutions that best meet your company's business objectives. From hardware and software to integration services, Advanced Mobile Group delivers complete, end-to-end solutions from leading manufacturers—providing unparalleled value to clients of all sizes.

Benefits of Working with Advanced Mobile Group:

• Enjoy the convenience and assurance of a single point of contact and accountability for hardware, software and services

• Gain access to the knowledge and experience of mobile industry specialists who have overseen hundreds of implementations over the past 20 years

• Benefit from access to mobile computing software and technologies from multiple vendors, helping ensure that you get the right solutions for your business

• Realize improved speed, accuracy and visibility through the cost-effective efficiencies mobile solutions can deliver