

Message from the President

JON MAINWARING
VIGILANT SOLUTIONS
PRESIDENT

Every issue of The Vigilant Advisor will keep you informed about how to apply your current Vigilant point-of-sale and other accounting products to your business better. In this issue, for example, the "To Catch a Thief" story tells the tale of how Vigilant can help you catch a thieving employee.

But we'll also keep you up-to-date about what's new at Vigilant and with business automation in general -- so that you can make plans to boost your companies productivity and profits through new but proven technology. The Backs Etc. story in this first issue is a case in point of how one single-store operator gained the confidence and ability to expand and manage more than one site.

And we'll do all that in this pleasing email format that is easy to read and respectful of your busy schedule. So let's get down to business.

First, regarding our original Vigilant DOS product. We know that thousands of you remain very satisfied with your tried-and-true software - but we know that some users these days are concerned about printer accessibility. So, you should be aware that the Vigilant development team has enabled users of Windows 2000 and XP to access USB and Windows-only printers. To see how, simply go to <http://www.vigilant.com>, click on "Support -> Tip Sheets -> Printing with Windows XP and 2000 Network.

Next here's what's happening



Jon Mainwaring, President, in consultation with Security Advisor Geordie with Vigilant for Windows. We released the Windows product in early 2003. However, we soon discovered that the Microsoft SQL (Sequel) database was not performing up to our expectations. So we decided in 2004 to replace it with one that we've learned businesses like yours truly need. Now, we're planning to re-release Vigilant for Windows in 2005. We'll keep you posted.

compatible with you other operating systems) can have instant access to the financial status of all their locations, no matter how many or how far apart. To check that possibility out for your own plans, take a look at the Backs Etc. case study in this issue of the Vigilant Advisor, then go visit the Oneir web site at <http://www.oneirsolutions.com>.

Now, as to the future: We've scored a major breakthrough in office automation for companies with more than one location.

Oneir Solutions Inc, our new company is dedicated to supporting multiple-site retailers - anyone with more than one store, or wholesalers with branch offices, or those with virtual stores on e-Commerce sites. All such users, thanks to Oneir's Linux base (fully

In the meantime, I would like to thank everyone for your continuing endorsement of Vigilant products, and on behalf of all the Vigilant and Oneir staff, I would like to extend our wishes to everyone for a prosperous and healthy 2005.

Finally, we would like to hear from you at v_advisor@vigilant.com -- especially if you have ideas for future topics in The Vigilant Advisor.

To Catch a Thief:

Metal Supermarkets Case Study

ANDY SHAW

EDITOR

Vigilant: keenly watchful; to detect danger -- Random House Dictionary

Never has Vigilant lived up to its name more than at a Calgary franchise of the Metal Supermarkets chain. Vigilant Solutions inventory and financial management package helped catch an employee with his fingers in the till.

The employee, nabbed by store owner Cathy Fraser and accountant Lucille Monette, stole over \$20,000 from cash sales, and was subsequently convicted and sent to jail.

"At first we thought something was wrong with the Vigilant program," says Cathy who took over the store from her father Bob, the original owner. "When we did our bank reconciliation we found that our bank deposits were consistently less than the sales on our printed invoices."

After discussion with her part-time bookkeeper, and still not suspecting any wrongdoing, Cathy called in the service of Lucille Monette, an accountant, teacher, and consultant with over 30 years experience handling the finances of a wide range of Calgary companies. She knew Vigilant well and had recommended the program to many of her clients.

Monette went to work on an exhaustive, item-by-item hand reconciliation of a whole month's bank statements. Sure enough, the physical records indicated that sales had been made, invoices generated, and inventory correspondingly reduced. As well, sales from debit and credit cards all balanced with deposits. What was missing, however, was the cash from cash sales. They appeared on invoices but not in bank deposits. That's when suspicions of theft were first truly aroused. A similar review of another month's deposits confirmed

that someone was systematically stealing.

VIGILANT'S AGILITY

"Although our audit had to be manual, Vigilant was very helpful during the process because we could easily reverse all those sales for which there were no deposits and put them in a special account," says Monette. "That way we had an accurate record that would stand if charges were ever laid."

"What Vigilant also showed us was that while inventory had been taken out, it had not been removed by a sale -- at least not one made by the company," says Cathy. "If we had had to prove that manually, it would have meant days of going through mounds of paper, but with Vigilant it was a matter of minutes."

"Vigilant was very helpful," says Cathy Fraser

Vigilant was able to show that a crime had taken place, but by whom?

With only two employees and herself handling cash, Cathy's list of suspects was short. In the end, Vigilant's accurate reporting of transactions plus the employee's own handwriting on an "open" invoice are what nailed him.

BEST PRACTICE: DAILY VIGILANCE

But as Cathy ruefully admits, he could have been caught a lot sooner she been using more of watchful Vigilant's features from the start. "I wasn't cashing out every day which Vigilant allows you to do," says Cathy and that was just inviting disaster. Also I allowed employees access to what we call open invoices. And this is what one of them used to give to a

cash sale customer, claiming the printer was broken, and filling it in by hand from what appeared on the screen.

But when that customer, by chance, came back to me one day and presented the invoice, saying he wanted more of the same, but I went into Vigilant and it showed no record of that sale.

"Using Vigilant to cash out every day is very important to us now," says Cathy, adding that Vigilant's ability to pump out daily cash reports means no one can hide anything in the system from one day to the next.

TRUST + VIGILANT

Despite her very bad experience, Cathy says she still trusts her other employees, although not so blindly now. "We're using Vigilant better now so that we don't put temptation in people's way. We've got things set up on Vigilant now so that no one owns a sale. Anyone can finish a sale on the system, so if that particular employee is away at the time the transaction will still be recorded. So that keeps communication open in the store and people honest."

Cathy is now ready to implement other Vigilant features, including security measures and employee codes. Each user of Vigilant has to have a unique password and nine levels of password protection are available. This allows owners to control what the employee needs to see. Employee codes can be set up so they must be punched in before anyone can open a till. They also track who sold what and when, and can help spot any illegal activities.

Concludes Cathy: "When you have a system like Vigilant installed, employees know it will accurately record what they do and when they do it, and know these records will stand up in court, that's a huge deterrent."

Backs Etc. Profits from Multi-Channel Selling:

Whether its e-Commerce sales, phone orders or sales made at their multiple-location retail stores, Backs Etc. is expanding its market reach.

ANDY SHAW
EDITOR

ONEIR helps retailer add new state-of-the-art store and integrate all its sales channels

The two owners of Backs etc. are happy to admit they are mighty picky about the lines of ergonomic mattresses, pillows, chairs, recliners, massagers, and other stress relievers they sell. They're also pretty discriminating when it comes to selecting all their other business etceteras -- including what point-of-sale, inventory management, and other business and accounting software they use. Most recently, they chose ONEIR Solutions' breakthrough business package -- a complete hardware and software solution for expansion-minded retailers -- after yet another careful search for just the right thing. The choice has enabled Backs etc. owners to realize a long-held dream. They've taken the first step to potentially expanding their "empire" countrywide, by adding a prototypical new store.

And is it some store. Walk in off Yonge Street in the middle of its stylish stretch in north-end Toronto, and you spot mid-store, a huge Plasma video screen, fronted by a curved "cappuccino bar" counter and two leather-covered stools (ergonomic, of course).

"We offer over 1,500 combinations of items, so they can't all be displayed

in the store," explains Backs etc. founder and managing director Alex T. Neuman. "So if the customer can't find what he or she is looking for, or wants more detail about a possible purchase, we can sit them at the bar and have one of our staff take them straight into our website and inventory database via that big Plasma screen."

What the customer does not see, is what ONEIR is doing in the background, once a sale is made. For one, what is sold in the new store goes instantly into the company's books and can be viewed by Neuman and his partner back at the original store and head office several kilometers away.

"You want a platform for future growth, and that's what Oneir gives us," says Gary Lands

"The logistics of running a single store are quite simple," says Neuman. "But when you get into running a multiple store set-up you need an accounting system that's more robust, more comprehensive and yet is still affordable."

Adds co-founding partner and director of operations, Gary Lands: "You also want a platform for future growth. And that's what Oneir gives us. At any time from our desktops, we can hook directly into our other locations and see what is happening

financially to our business, as it is happening. We didn't want to rely on overnight polling. We wanted to exercise real, up-to-the-minute, head-office control. And it doesn't matter if we have two, or if we have 10 locations or more, the system is easily extended."

That ability to grow with the business is rare, if not unprecedented, for an accounting package suitable to expanding small and medium sized businesses. And it comes chiefly from:

- the nimbleness and speed of the Oneir Solution running on a dedicated Oneir-built server, which can carry out real time communications between sites over regular telephone lines
- the online training of users as well as the remote installation and trouble shooting available directly from Oneir support staff as part of the package
- the rock-solid reliability of the Oneir package's point-of-sale, inventory management, sales order, general ledger, and seven other accounting modules -- which have been in constant development for over 20 years.

But how could an outfit so new (Oneir Solutions began business only in 2003) have a product with such a long history?

Continued from Page 4

Neuman and Lands know how come.

When we decided that what Canada really needed was a good "back" store and formed Backs etc. in 1997, we did our due diligence and went looking for an off-the-shelf accounting package appropriate for us and our single store," says Neuman. "We spoke to a number of people and that led us to Vigilant. We've been a very happy user of Vigilant point-of-sale and accounting software at Backs etc. since day one. And now the interfaces we see on Oneir are virtually the same as Vigilant's."

That's no surprise to Jane Giggall, Oneir's President, who says, "We knew we had one of the top business and accounting software packages based on the response from the only judge that counts, our customers. We wanted to take this foundation and create the best product for those customers with more than one location. The response has been overwhelming. The number of single location companies that have identified Oneir as their ultimate solution is a welcome surprise. It truly makes dreams a reality.

"When we saw what Linux could do for businesses with more than one location, we wanted bring a total focus to serving that market. So we created Oneir but carried over all the functionality and reliability of the Vigilant software."

Still, even given that happy history with Vigilant, Neuman and Lands did not migrate Backs etc. immediately over to Oneir without, you guessed it, careful consideration.

"We found nothing else like Oneir, however," says Neuman. "It not only does most of what far more expensive systems designed for big businesses do, Oneir is also interoperable with all

our other applications including Windows, even though it is Linux driven. And aside from some wiring and other technical adjustments we had to make, the transition for our staff to a multi-site business has been quite easy."

What's also been made easy for Backs etc. by Oneir is keeping meaningful track of sales no matter how they come in -- from a store walk-in, over the telephone, or via that Backs etc. e-commerce Internet website that's on huge display at the new Yonge Street store.

"We found nothing else like Oneir," says Alex T. Neuman

"The Oneir solution really allows a retailer to become a multi-channel seller," says Jon Mainwaring, Oneir's Executive Vice President. "Most accounting packages can't really integrate sales data very well or quickly when they come from different sources, but Oneir can. It tracks customers' orders no matter how they order. So owners can take both micro and global look at their customers, their inventories, and their profit centers. And they can do that by pulling up a number of Oneir's templated reports whenever they want to."

That means owners of multi-site retailers like Backs etc. can:

- see which products, product lines, categories, and remotes sites are selling best
- sort best sellers by high to low margins
- see percentages of sales stemming from each product or category
- through its wholesale/distribution module integrate online catalogues, sales orders, pick and pack lists, shipping instructions, and lay-

aways for items on back order

- keep complete records of customer-by-customer buying habits
- build targeted direct mail and other sales campaigns

"No other package we know of that's affordable to smaller businesses integrates all this into one system," says Oneir's Giggall. "And I think one of its outstanding benefits for companies as a result is that Oneir can lay a foundation for expansion. If you're pulling in e-commerce, or phoned-in orders from Vancouver, for example, or some other distant town, you can start building a community there because Oneir keeps you up to date about who your customers are, where they are and what their buying preferences are. That means, if you decide to put a store into Vancouver, or elsewhere, you're not going in there cold. You've already got a customer base in place."

So don't be surprised if some day soon a Backs etc. store pops up in your neighborhood.

Andy Shaw is a freelance writer and Editor of The Vigilant Advisor.

Subscribe to the next Vigilant Advisor. Go to www.vigilant.com and select the "subscribe" link or email us at subscribe@vigilant.com

THE VIGILANT ADVISOR

Be Vigilant...key to survival, evolution and prosperity

Reprint from January 2005

Introduction

Message from the President

I am delighted to send you this inaugural issue of The Vigilant Advisor, our quarterly e-mail newsletter. As its editor-in-chief, I promise to make the newsletter -- just like Vigilant's business and accounting software -- a tool to help you survive, evolve and prosper. Here's why.

FULL ARTICLE ON PAGE 2

.....

Tips

To Catch a Thief?

Never has Vigilant lived up to its name more than at a Calgary franchise of the Metal Supermarkets chain. Vigilant Solutions inventory and financial management package helped catch an employee with his fingers in the till.

FULL ARTICLE ON PAGE 3

.....

Case Study

Backs Etc.

A choosy retailer, enabled by ONEIR Solutions' Linux-based business and accounting package, expands from simple single store operation to a modern day, multi-site, multi-channel seller.

FULL ARTICLE ON PAGE 4

Editor: Andy Shaw / Editor-in-Chief: Jon Mainwaring
Managing Editor: Regan Giggall

To receive the VIGILANT Newsletter by email, subscribe at
<http://www.ovadvisor.com/subscribe.asp>

Using third party payroll?
Want full control
for \$195 per year?



Visit www.vigilant.com for details on
Vigilant Solutions' Canadian Payroll
feature

Vigilant Solutions has a new look!
Come and explore the
new Vigilant Online at
www.vigilant.com



Oneir

Making
your
dreams
a reality

Find out how at:
www.oneirsolutions.com



Vigilant Solutions
91 Broadway Ave, Toronto, Ontario M4P 1T7
<http://www.vigilant.com>
A DIVISION OF MANHATTAN MANAGEMENT INC.



Register Now for Our new Vigilant Newsletter

Dear Vigilant Customer

I am pleased to provide you with a reprint of the first issue of **The Vigilant Advisor**- a quarterly e-mail newsletter published exclusively for Vigilant customers.

All we need is an e-mail address

Many of you have already subscribed but if you aren't and wish to receive this publication, please go to the Vigilant Solutions web site at www.vigilant.com and select the Subscribe link. All we need is your name, company and email address. Any number of people from your company may register.

Thank you for your support of Vigilant.

Jon

Jonathan Mainwaring,
President

P.S. If you prefer, simply send us an email at subscribe@vigilant.com, or call 1-800-668-2200 and we will immediately add you to our subscription list.

