

# Terno Times

## NEWSLETTER

Terno & Associates, Inc.

Issue 001

March 2002

### Welcome Note

Welcome to the first official newsletter of Terno & Associates, Inc. We look forward to providing you with helpful and useful information. This correspondence is to assist our clients. Therefore, we look forward to receiving your comments and suggestions on topics that you would like to see covered.

As we begin our tenth year of operation and continue growing to better serve our clients, we hope to strengthen our relationship with all of you. As always, feel free to phone or email me with any questions or comments. I look forward to your input as many of our best enhancements come from client ideas.

I hope this newsletter will be beneficial to you and your company. It is with pleasure that I wish you best of luck for a prosperous 2002!

Sincerely,

Jeff Moliterno, President

### Should you be worrying about your web site? Yes!

by Bob Palyo

Today's competitive catalog industry demands that your company have a presence on the World Wide Web. This provides a medium that allows you to reach a greater number of customers than ever before. Many times direct marketers will use a third party web site development company that specialize in putting together a site with a great look and many features in its design.

However, this approach can lend itself to a new set of issues if it interfaces with a back end mail-order processing system like Terno*Velocity* or QOP. Since these developers specialize in putting together an elegant site, they may lack mail-order experience when it comes to processing orders. Things that may seem like a foregone conclusion to the cataloger are often missed by industry novices.

For instance, did you know that the last digit of a credit card number actually means something? This final number is a check digit that completes a card sequence algorithm. Anything not passing this test should be flagged as invalid. Some shopping cart systems do not take this into consideration when capturing the card number. This can translate into a troublesome and costly customer service issue if orders are downloaded automatically into your

(con't on page 2)

### Inside

- ⌘ 21<sup>st</sup> Century living..... Page 2
- ⌘ Clippership Integration.....Page 3
- ⌘ User Group Meeting.....Page 3
- ⌘ Catalog Covers Exposed..... Page 4
- ⌘ Backorder Priority Release.. Page 5
- ⌘ Internet Business..... Page 6
- ⌘ Call Centers Q&A..... Page 7
- ⌘ Trade Show Update..... Page 8

## Signs That You Live in The 21<sup>st</sup> Century

- ❑ You just tried to enter your password on the microwave.
- ❑ You have a list of 15 phone numbers to reach your family of three.
- ❑ You chat several times a day with a stranger from South Africa, but you haven't spoken with your next-door neighbor this year.
- ❑ You call your son's beeper to let him know it's time to eat...He e-mails you back from the bedroom "What's for dinner?"
- ❑ Your grandmother clogs up your e-mail box with requests for JPEG files of her newborn grandchild. She needs the photos to create a screen saver.
- ❑ You didn't give your valentine a card this year, but you posted one for your e-mail buddies via a web page.
- ❑ Cleaning up the dining area means getting the fast food bags out of the back seat of your car.
- ❑ You get an extra phone line so that you can get phone calls.
- ❑ Your daughter sells Girl Scout Cookies via her web site.
- ❑ You wake up at 2 a.m. to go to the bathroom and check your e-mail on your way back to bed.



**LOOK IN YOUR NEWSLETTER  
FOR YOUR COMPLIMENTARY  
TERNO JET!!**

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**Web site article from Page 1**  
 order processing system.

When these orders are validated by the Terno*Velocity*/QOP software, they get kicked out as invalid. This forces one of your representatives to make a time consuming contact with the customer in order to begin processing. If your web site developers are made aware of this condition, a small amount of programming up front can eliminate a big hassle on the back end.

Other tips include checking that the customer is not trying to ship an order via UPS to a post office box as well as insuring that they cannot enter a negative number into the quantity field thus getting a credit on an order. Another important issue is to make sure that a hacker cannot manipulate the price of inventory items using HTML. Since Hypertext code is not hidden from a customer's browser, they can view it, modify it, and use it to post incorrect information back to your shopping cart system. These orders could possibly ship out of your system if no one were to catch them.

Most of these suggestions are all things that the Terno*Velocity*/QOP software does already. However, a web company does not always understand the complexities of the mail-order industry. I have only listed a few of the many possible validity checks but this can provide you with a good starting point to begin testing your own web site. Or, if you prefer, Terno & Associates can perform an extended series of tests for a nominal fee. Contact a representative for more details.



## Shipping changes giving you a headache?

### Forget aspirin! Read on about Clippership Integration

by Joe Pindel

Are you tired of trying to keep up with the latest changes from UPS? Have you thought of switching carriers but do not want to reprogram your QOP or Terno *Velocity* system in order to do it? Are you looking to decrease your shipping costs by doing rate shopping? Clippership may be just what you are looking for.

What is it? Clippership is a multiple carrier shipping solution that offers real-time host integration options. Clippership will run on a Windows-based PC and allows for the generation of approved labels and electronic manifesting for every major carrier.

Terno & Associates has developed an integration with Clippership that allows real-time data interchange between systems. This means that when you ship an order on the



Clippership system, it ships on your QOP or Terno *Velocity* system instantly. There is no downloading batches of orders or double entry. Simply scan the bar-coded order number on your pick-ticket, ship the

package on Clippership, and your customer service reps can see the tracking number in seconds.

How does this work? The integration between Clippership and your system works through ODBC (Open DataBase Connectivity). ODBC drivers are available for Universe version 9.4 and later. These drivers allow for any ODBC compliant databases to interact with each other.

How do I get more information about Clippership? You can contact us at Terno & Associates, or visit the Clippership web site at <http://www.kewill.com/products/clippership>.

## YOU ARE INVITED...

### User Group Meeting

The client is our primary concern at Terno. We want to stay informed of your opinions, questions, and feedback in order to better serve you. We are inviting our clients to take part in our annual **User Group Meeting**.

This meeting serves as a way for our clients to have personal contact with our company. The purpose of the meeting is to continue product education, focus on software modification, introduce new hardware and software products, and to solicit opinions of our clients.

If your company has specific topics or questions that you would like addressed, please feel free to tell us.

The date for this meeting is not set at this time. We would like suggestions on convenient dates for you in July or August. Please let us know via email if you are interested in attending and dates that are preferable to you.

**For Sale**



### New & Used Equipment

Terno has the following equipment in stock and ready to ship. As always, Terno can order new equipment to fit you needs.

(2) Printronix P5210 1000LPM line printers w/ cabinet (new & used)
OTC 850XL printer (used)
Epson FX1170 printer (used)
ADDS 4000/110 terminals (new & used)
WYSE 60 terminals (used)
Intermec bar-code scanners & readers (new & used)
Weightronix scales (new & used)

CONTACT US FOR PRICING INFO  
330.629.7004 OR [INFO@TERNO.COM](mailto:INFO@TERNO.COM)

## Is your cover exposed? **TIPS FOR ANALYZING YOUR CATALOG COVER**

by Pasquale LaRocca

The kitchen table.....a stack of junk mail, bills, fliers, *your catalog*, competitors catalogs, etc. Now that the scene is set, what makes the cut? How does your catalog get noticed? That's right.....the cover! However, being noticed is only part of the job of the cover. It has to do more than just grab attention. It must convey a message that says "read me!!"

What goes into a catalog cover? What makes a cover stand out? I have come up with some tips to analyze your cover. Of course, this list is not conclusive but should serve as a starting point in analyzing the cover of your catalog.

### **Does it show your company's personality?**

When your customers think of your company, they often associate certain characteristics. The personality or brand image of your company can be funny, serious, cutting-edge, casual, elegant, etc. Is your cover reflecting the image trying to be projected? Humor may not be appropriate if it reduces your credibility. Trying to be too serious about selling comic books may not be effective either.

### **Does it create emotion?**

Looking at your cover should provoke some type of emotion with customers. Creating emotion relates back to your company's personality. Does your cover make your customers

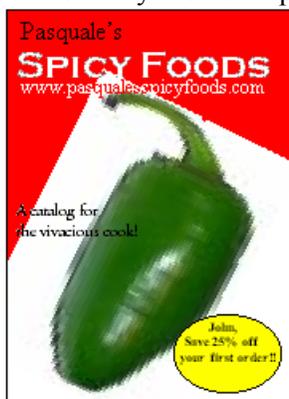
want to laugh, smile, or remember a special time? This factor varies depending on your product. The emotional factor may be more important in selling merchandise that has an emotional attachment. For example, picture accessory catalogs may want to create a sense of nostalgia or wedding accessory catalogs may want to be associated with the feelings of happiness or excitement. What emotions are tied to your cover?

### **Is it dramatic?**

Drama is an important aspect pointed out by Glenda Shasho Jones, a leading catalog consultant because it is essential to capture the attention of your target market. Ideas can include a close-up of a single product, using bold colors, or having an eye-catching scene<sup>1</sup>. Catalog designers of Patagonia do an excellent job of creating dramatic scenes that are sure to clutch the attention of the target market. Does your catalog have a dramatic effect?

<sup>1</sup>According to "Creating Covers That Captivate." Shayn Ferriolo, Catalog Age, May 2001.

\*Note Spicy Foods Catalog is fictitious.



### **Is it relevant?**

Having irrelevant items on the cover may get attention but it may not get people to open the catalog. The consumer wants to know what's inside before they make a conscious effort to open the catalog. Does your cover give some indication of what's inside?

### **Is it simple?**

Remember that potential customers may not be staring at your catalog long or it may be in with other clutter. With this in mind, it may be essential to make your cover as clutter free as possible. Grid covers or covers that showcase too much may be simply overlooked<sup>1</sup>. Designing a billboard and a cover are much the same process. You may only have a few seconds to captivate the consumer's attention; therefore, it is essential to focus on the point. Does your cover convey the point quickly?

### **Does it respond to the customer's hierarchy?**

Every company should have a list of aspects that drive customers to their catalog. This could be price, style, quality, your brand image, durability, etc. Does your catalog cover respond to the most important aspects listed? For example, if a sense of style is listed as the number one factor for subscribing to your catalog, it is imperative to have the newest fashion on the cover. Does your cover respond to what is important to the consumer?

### **Are you taking advantage of the little stuff?**

Little things sometimes can make a big difference. Catalog covers can possibly be more effective when personalized with names. Another little thing that can be used is dot whacks (stickers) to promote a sale or special offer. One more option is varnished covers. Applying a coat of varnish-like substance to your cover may appeal to your consumers giving your catalog a certain prestige. Does your company add any of these personal touches?

### **Did your remember the back cover?**

Sometimes overlooked by catalogers is the importance of a back cover. This may be the first impression that the consumer may have of your company. It may also be the first few products that they view. Putting two to three items on the back cover may lead to a significant increase in sales. Do you take advantage of the back cover?

### **How did your cover do?**

As you can see, designing a catalog cover is not an easy feat. Many factors play into the decision of what focus the cover should take. These questions serve as a basis of evaluating your cover. I hope that this article was informative and helped evaluate your cover.

## But I need it NOW.... Release Priority for Backordered Stock

by Dion Pomponio

I admit it. I have entered the supermarket "Express Lane" with more than 12 items. I have seen the disapproving glance from the person entering the regular checkout lane with the exact same number of products. Did they realize that my need to quickly purchase my can of Spam was greater than the person in the regular lane? With each case of Express lane trickery, I have learned an important lesson: I am always exiting the store with my merchandise before the poor soul waiting in the regular lane.

Catalog customers often pick the regular lane when ordering merchandise. Many companies work on a first-come, first serve basis. Stock is subsequently deducted from the shelf as orders are placed. This rule also applies to the committal of backordered merchandise. Once stock is no longer available, many companies begin committing a part of the order on a backorder status ("B"). If a customer is first to place such an order, he/she is logically the first to receive the backordered part when it becomes available.

Many companies need an "express lane" for unique order situations. The customer may not have the luxury of waiting his/her normal turn for the backordered portion. The standard backorder release procedure dictates that the customer must wait behind all previously placed order reservations. The high priority order must wait its turn.

To resolve the problem, Terno & Associates, Inc. has developed the ***Inventory Priority Release Utility*** for backordered merchandise. This utility allows a company to "jump" the high priority order to the "front" of the backordered release line. If the customer placed multiple orders needing prioritized, the

utility also allows for prioritizing entire groups of matching customer numbers.

Example: Part #123 is on backorder status (zero on shelf) and has a purchase order placed for 12 pieces to arrive later in the week. Customer A places an order for 10 pieces of #123. Customer A has first priority when the #123 stock arrives (10 pieces of the incoming 12 are now reserved for Customer A). Customer B is in a unique situation and **MUST** have 8 pieces of #123 as quickly as possible. Since Customer B placed the order second, the system will automatically put their order behind customer A. **The Inventory Priority Release Utility permits** the company to "jump" Customer B's order to "first" priority when the stock of #123 arrives. Customer B will now have his/her backorder filled before Customer A.

The utility allows the company to override special situations and release incoming stock to customers requiring immediate attention. This powerful tool gives the company ultimate control over the "who" and "when" of the inventory backorder release.

If you would like more information concerning the Backorder Priority Release Utility, please feel free to contact the Terno & Associate Team.

***Disclaimer:*** Terno & Associates, Inc. does not advocate or condone line jumping or express lane trickery.

### Visit our new improved web site!



[www.terno.com](http://www.terno.com)

### Surveys

- ❑ Customer surveys were mailed out on February 10<sup>th</sup>.
- ❑ If you have yet to return yours, please do so at this time.
- ❑ If you have returned your survey, thank you!

**Your opinion counts!**



## E -ffective Results...

by Bil Sefcik

The walls and offices here at the Terno headquarters have recently been buzzing with ideas and comments concerning the integration of our different software packages with the Internet. It has approached the point where there has been more meetings dedicated to this topic than *Murder, She Wrote* reruns on A&E. As you all know, this is A LOT of meetings.

If your company is one of the few left that have not been utilizing, or thinking of utilizing the Internet, then now may be the time to start. Many companies who have made the Internet part of their daily business are already reaping the benefits of increased sales and increased publicity. We are now at the point where the computer is becoming the easiest, most convenient tool in the progression of home shopping.

Who hasn't, during a gripping episode of *Mannix*, thought of something that would be just perfect for their home, but didn't know where to find it? Who hasn't, with memories of Christmas past, wanted to just stay in and avoid the rush? If you answered Jessica Fletcher, then you are still thinking about *Murder, She Wrote* and I will have to ask you to temporarily put her out of your mind. The answer, for both questions, is your customers. Everyone, at one time or another has asked themselves questions similar to these.

Using the Internet, potential customers can search for ideal products for themselves or perfect gifts for others. Building on this convenience, the Internet is becoming a useful companion to catalog companies around the globe. Although the Internet will never take the place of the catalog (just try lugging the computer into the bathroom), it is definitely here to stay.

Now you are probably asking yourself, "Why hasn't he mentioned *Cannon*? I love William Conrad". I can't answer that, but I can tell you more about

YOUR WEBSITE & SOFTWARE

## Terno Tip

### The famous "Exit" button.

Closing down a session in Terno*Velocity*/QOP by using 'X' in the upper right hand corner in a Windows program



**should not** be done. Our software connects directly to the server and when a person simply clicks on the 'X' button, it only closes the windows program.

It does not disconnect from the server thereby leaving a port in use.

Before closing the screen, log off of your Terno*Velocity*/QOP session.

how our software can interact with the Internet. Modifications can be made to our software to allow your company's web site to transfer orders, catalog requests, change customer addresses, and incorporate other information into your database. The benefit of this would be that "re-keying" the information into your system would become unnecessary. Modifications can also be made to send information back to the web site. This would allow your customers to look at their customer history, current inventory quantities, order status, etc. If you would like your Terno system to generate e-mails during various programs, then these modifications could also be made. There is basically no limit to the amount of integration you can do with your web site.

We are constantly working on flexible solutions to client requests for Internet connectivity. Just like our mail order software, our Internet modifications are tailor made to your company. From batch processing to real-time solutions, we work with you and your web site developers to come up with the most efficient way to meet your goals.

If this article has wetted your appetite for information concerning Internet connectivity, please feel free to contact any of your Terno representatives by phone, or email. If it has made you hungry for more cheesy television, then find yourself a comfy chair and turn on your television because *Banachek* is on somewhere.



## Ring....Ring....Ring.....Who's there? Third-party call centers: Questions & Answers

### How do I know if I need a Call Center Partner?

Eighty percent of all direct marketing responses come within fifteen minutes of a prospect seeing your ad. Therefore, 24-hour coverage is crucial. Even though offering customers extended business hours has become a competitive necessity for direct marketers; it is not always cost effective or manageable to do yourself. As a result, third party call centers have become important allies to the shop at home industry.

The right Call Center Partner and call routing program allow you to walk away from your office, without thinking or worrying about your business...knowing that your calls are being answered promptly, professionally, and courteously.

### How do I know what hours to outsource to my Call Center Partner?

It's easy to determine what hours are most cost effectively supported by your outsource provider. Compare your fully loaded labor cost to your call center partner's per minute rate and number of calls each can support per hour to make your decision. Save by closing your in-house call center earlier, opening later or not opening at all on a Sunday or Holiday, for example. Be sure to hire a call center partner that will allow you to change the days and hours of support as your needs change.

### How do I know my Call Center Partner is performing?

You might be surprised, the systems, procedures and reporting that outsource call centers partners employ today can be more sophisticated than those used in your in-house call center. Look for an outsource partner that makes customer contact their sole focus. These providers can justify and should employ state-of-the-art systems and procedures to ensure they are doing what you hired them to do in the manner you intended. Your call center partner should be able to provide evidence that all your calls routed to them are being answered in a timely manner (80% within 20 seconds). Your Call Center Partner should

work to help increase your average order size and maximize every customer contact. The Call Center Partner you select should provide systems and reports to verify that their Agents are providing professional and accurate service to your customers. These systems can include remote call monitoring, call recording and revenue per order reporting. It is also important that your Call Center Partner can ensure and verify that the information they gather from your customers and deliver to your company is complete and accurate.



Midco Call Center Services is a midsize Call Center that provides customer contact support after-hours, during peak overflow and disaster recovery for several companies with expertise in supporting direct marketers.

Located in Sioux Falls, South Dakota, Midco's Agent quality, responsive client support and knowledge of the direct marketer's order processing software are proven assets to Midco and our valuable clients.

Connie Donohue  
Account Manager  
Midco Call Center Services  
5001 West 41st Street  
Sioux Falls, South Dakota 57106  
1-800-843-8800

### How will my Call Center Partner interface with my Order Processing System?

Hire a call center partner with an in-house programming staff capable of customizing the data export or interface in the format compatible with your in-house order processing system. Don't spend time and money to re-key data captured by your partner.

### How do I route my calls to my Call Center Partner?

Support your increased peak season and peak day(s) traffic without the expense of recruiting, hiring and training temporary staff. Hire a Call Center Partner to support your peak overflow calls during these times. Interfacing with your

Call Center Partner is a simple matter of setting up the appropriate types of call forwarding with your Toll-free/800 Provider and/or local Telephone Company. Arrange call routing or allocation with your Toll-free/800 provider to best meet your needs. Sophisticated Toll-free/800 Service features allow direct marketers to create highly customized call sharing programs to maximize in-house staff, while benefiting from the back up support from a call center partner.

### What happens if I have a disaster in my in-house Call Center?

Better than business interruption insurance, is hiring a call center partner for disaster

(Continue on Page 8)

(Continue from Page 7/Third Party Call Centers)

recovery backup. A disaster does not necessarily have to come in the form of a tornado or flood. It can simply be in the form of the flu shared by your call center staff. Be prepared for the unexpected to ensure your customers have the support they require 24 hours/day, 365 days/year.

**What about Nexus Laws?** Choose a call center in a pro Nexus state. Depending upon the state your call center partner is located and where your business is located, you may be taxed on the service you buy from the call center. In addition your customers may be taxed on the merchandise they purchase from your company if your call center partner is located in the same state as your customer. Different states hold different positions on taxing the service your call center partner provides to you and your customers. Find out if your call center partner is located in a Nexus friendly state. Save as much as 7% on your monthly service bill by choosing a call center partner located in a Nexus friendly state.

**How will my Call Center Partner bill me?** Most outsource call centers provide 24-hour service incrementally, using a pay-as-you-go pricing strategy. Direct Marketers can save on fixed cost associated with staffing evenings, overnights and weekends in your in-house facility by simply changing the termination destination of your toll-free service to a call center partner and paying for the outsourced Agent time by the minute. This is an extremely cost effective way to support your customers during low call volume times, during peak overflow times after catalog drops or during your busy season. Not to mention your peace-of-mind, knowing you have a back up provider in place in the event of a disaster. Choose a Call Center Partner that bills only for the work time Agents spend serving your customers. Don't pay for switch whole minute rounding or queue times, time agents spend getting supervisor assistance, or time tracked in the ACD or telephone switch.

Bottom line, missed calls result in lost business. Your missed calls also strengthen your competition's business. Potential customers are going to continue calling until one of your competitors provides them with the service or product they need. You can't afford to miss a call and a qualified Call Center Partner will help you achieve that goal.

by Connie Donohue

# Trade Shows



April 29 - May 1, 2002 • Opryland Hotel • Nashville, TN  
Pre-Conference Day: April 28

# NCOF

National Conference on Operations & Fulfillment

Booth # 520

Visit us on April 29<sup>th</sup> or 30<sup>th</sup>

# ACC

The Annual Catalog Conference 2002

Annual Catalog Conference  
and Exhibition

**June 10-13, 2002**

McCormick Place

Chicago, IL

Booth # 984

Visit us on June 10<sup>th</sup> thru 12<sup>th</sup>

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