PC Based POS – The Hidden Costs

By Syd Bolton

Over the years, the standard PC or Personal Computer has become a common choice for companies looking to buy or refresh their point of sale systems. In fact, with some people that I've spoken to they have gotten to the point where they can't possibly see any other choice and the blinders are firmly in place. If you are one of those people, perhaps I can give you some information that might help you rethink your choices.

PC's are a popular choice because it's easy for all of us to relate to. The level of comfort we feel with knowledge increases over time. Most of us have PC's at home and in our offices, and we are usually aware of the costs. It's not hard to pick up a flyer for your local electronics store and get a good idea how much a PC is worth. If I asked you how much the average dedicated POS terminal is, you'd probably not have a clue.

Just because we're comfortable with PC's and understand them doesn't mean that they are the best choice as a business solution, however. While every retailer is unique in how they do business, there are some commonalities that need to be addressed. Everyone wants a system that is affordable, reliable, and provides us with the information we need to effectively run our business. You might have specific "sub-sets" of needs like fast customer throughput or fancy receipts but the general requirements for everyone are usually similar.

I'd first like to address the downside of PC point of sale. Buying a system that is made with off the shelf parts can save you some costs up front, but it has been proven time and time again that the total cost of owning that equipment will creep up on you over time. A PC that works in your home is not designed to withstand the environment of your store. All modern PC's come equipped with fans to keep the systems cool and in some cases, multiple fans. The dust environment in most stores is much greater than at home and these fans are not designed to handle it. If the cooling system fails, your machine will fail or worse – start acting erratically. The average lifespan of a PC is rated at only about 5 years where a dedicated POS terminal works out to be a minimum of 10 years. In our case, I've seen terminals running for as long as 15 years in the field. If you factor that in, is purchasing a lower cost PC at the outset actually saving you money?

Everyone seems to get caught up in costs without factoring what is hidden. Although your results may vary, I've seen recent studies that show a dedicated POS terminal requiring only 1/10 the electrical energy required to run compared to an average PC. If you're operating a 10 lane store, the energy required to run all the terminals in a dedicated POS solution equates to the same amount required to run only one PC. With energy costs rising don't kid yourself that it doesn't translate into real money. In five years, you could save as much as $1000 per terminal. Over the lifespan of the machine, a dedicated POS terminal could pay for itself in energy savings alone.

The major credit card companies are starting to look at everyone from the Fortune 500 retailers to the mom and pops to make sure you are compliant with safe credit card management

practices. This effort is going to increase over time and for everyone who accepts credit and debit as part of their daily business it will impact you in one way or another. For anyone running a PC POS it's going to increase your maintenance costs as the expertise required to maintain a safe card holder environment rises. Dedicated POS terminals have demonstrated a lower risk factor and simpler methods to keep the environment safe. The bottom line is that as the risk goes down, so does the maintenance costs.

Viruses, malware, operating system updates and preventing the casual users from running Solitaire are common problems that anyone with a PC POS system faces and the costs associated with them are real. In a dedicated POS environment, these issues go away completely.

When you're ready to make the jump to your next point of sale system, you might want to broaden your horizon about what is available. Although PC's may always be a part of your end solution, limiting them to back room functions or specialized service applications means a reduction in maintenance on them. A reduction of PC's means a reduction in energy consumption, the requirement for staffing or specialized expertise and in the end – saves you money. And that just makes good business sense.

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