



# GREENRIDGE

## Business Systems

### TruServ Canada Case Study

## Cutting the Cost of Managing Distributed Retail Chain Stores through Portals

Many retail organizations operate chains of distributed stores to cover broad markets. As the number of stores grows and the geographic coverage increases, the costs involved with sharing information between head office and the remote stores can become very high. In today's market conditions, reducing these costs can dramatically increase the bottom line for these retail organizations.

Modern retail operations exchange regular product information on thousands of SKUs (including pricing information, product additions, changes, and deletions, etc.), warranty and safety information, policy and procedures, sales history, and POS data. Surprisingly, many companies are still doing this with low-speed, expensive, point-to-point (dial-up) networking.

Internet technology allows retail organizations to cut costs in several ways:

1. By 'piggy-backing" on public infrastructure and using VPN technology, companies can avoid the costs of setting up and (more importantly) maintaining a private network.
2. Using browser-based web applications can cut the costs of supporting stand-alone applications running on PCs in each store.
3. Organizing and distributing the vast amounts of printed information and documentation within Portals can dramatically increase the usability of the information while reducing the cost compared to printing and distributing paper.

A prime example of a company that is benefiting greatly from a move to Internet technology is TruServ Canada, parent company to several national retail chains including **TrueValue Hardware**. TruServ's network of stores is now over 800, covering every province and territory in Canada. When TruServ approached Greenridge Business Systems, they were without a corporate website, had a single e-mail address for the entire company, and used a complicated dial-up network supporting hundreds of stores running a standalone windows application. TruServ also was spending thousands of dollars per month sending out printed catalog updates, pricing information, warranty updates, and vendor notices.

With Greenridge's assistance, TruServ defined a multi-phased project to:

1. Establish a presence on the web for its multiple brands.
2. Save costs of printing and distributing paper information to its network of over 700 stores.
3. Improve service to customers by putting better, more timely information in the hands of the remote store employees.
4. Reduce the costs of gathering orders from remote stores through a private network and the standalone windows-based ordering system.

The project's goals were achieved by establishing a new network architecture and the implementation of an Internet portal and web-based order-entry system developed by **Greenridge** and rolled out to TruServ's network of remote stores. The portal not only provides a public presence for the co-operative and its retail banners, but it also saves substantial costs by allowing the 600+ retail managers to receive the latest information from head office and communicate with suppliers more efficiently and effectively through the Internet portal. TruServ has publicly stated that positive ROI was achieved within the first year of operation and that savings in excess of \$200,000 are expected annually.

The implementation has demonstrated real business benefits to TruServ and will serve as a platform for delivering future applications. The project was not without its challenges, as TruServ's member stores primarily service Canada's rural geographies, often in places where the Internet infrastructure is lagging. Through the portal, which is tuned to be useable at connection speeds as low as 14.4 Kbps, TruServ is able to deliver consistent functionality to all locations, regardless of the speed of the Internet connection. Additionally, the web-based order-entry application can run in disconnected mode in a remote store or in connected-mode live through the Internet to TruServ headquarters. The same application is used in either instance, with the store manager choosing the best method based upon volume and Internet connection speed.

The resulting portal and order applications have been so successful that TruServ envisions all future store-level applications will be delivered and managed through this platform.

