

## Leveraging Low-Cost BI for a High Rate of Return

Hillman yields significant savings in two months using WebFOCUS as its BI solution.



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**Jim Honerkamp**  
Vice President and CIO  
The Hillman Group

A healthy return on investment (ROI) is a goal every business strives to attain. When The Hillman Group, a major manufacturer and distributor of small hardware products, chose WebFOCUS as its enterprise BI standard, it knew it was in for a significant return, but the hard-dollar savings Hillman experienced with its new BI capability surpassed even its own expectations. Only two months after implementing WebFOCUS, the company saved a total of \$131,000.

Founded in 1964, the Cincinnati, Ohio-based company has more than 1,800 employees, including 675 direct sales and service people.

With revenues of \$440 million and 12 distribution centers across North America, Hillman's customers range from supercenters like Home Depot to small mom-and-pop stores.

In 1995, Hillman began an aggressive growth-through-acquisition strategy. To prepare for this growth and improve information delivery, it needed to update legacy technology and integrate disparate systems. Hillman chose WebFOCUS as its enterprise BI standard due to its simple and direct access to live real-time data housed in disparate transaction systems through Information Builders' iWay adapters. It was also the least expensive solution and included development and implementation support to further assure a fast ramp up.

“The goal was to implement an enterprise portal with BI as the ‘killer application’ to provide business value and drive user acceptance,” explained Jim Honerkamp, vice president and CIO, The Hillman Group. “The most important success factor was getting the executive group to buy into the new WebFOCUS portal and trust the data presented. It all seemed too good to be true.”

Within two years, Hillman has begun Release 3 of its BI platform and applications. Its operational BI solution is a virtual data warehouse with an integrated view of operational and financial data. More than 800 users, including 500 remote employees, access WebFOCUS reports via their

browser and can easily conduct queries, change formats, drill down, and export data. Hillman also implemented a geographic information system (GIS)-based BI application, which displays its 12 distribution centers, overlays with UPS zone maps, and includes upcoming product shipment data.

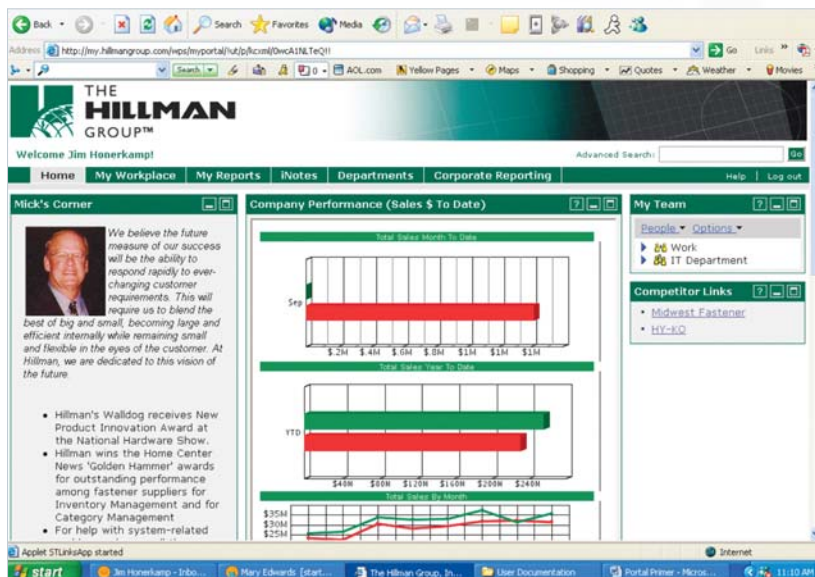
**Killer Benefits and ROI**

Hillman’s killer WebFOCUS application has sped decision-making based on real-time data, empowered business users, and helped managers better identify problems. The WebFOCUS GIS integration enabled cost-effective decisions about shipments. WebFOCUS also allowed Hillman to rebut vendor fines when accused of sending an incomplete order.

For a two-month period, Hillman used the BI fill-rate reporting system to analyze instances to prove that it had not short-shipped, saving them \$131,000 in fines.

Hillman is now moving beyond first-generation, reactive BI applications to predictive BI. The company’s current BI analysis and reporting focuses on supply-chain business indicators, including revenues, orders, and freight cost. With a more predictive model, the company will be able to react to leading indicators such as raw-material costs before a negative impact on lagging indicators such as product margin occurs. The company is also expanding its GIS-based analysis and reporting to aid the field service team and minimize drive time and fuel costs.

“Hillman has demonstrated the enormous progress a company can make in a short time if it is willing to honestly assess business problems and take the steps necessary to make changes,” said Gerald Cohen, CEO and founder of Information Builders. “By optimizing the functionality in WebFOCUS, an innovative BI platform suited to accommodate growth, Hillman will continue to distinguish itself in an increasingly competitive industry, while realizing significant returns on its BI investment.”



Using WebFOCUS as its operational BI solution, Hillman has a virtual data warehouse with an integrated view of operational and financial data.