

Ace Hardware

Retools Its BI Strategy



Global Retailer Builds WebFOCUS Application to Reach 10,000 Users.


Consistent, enterprise-wide business intelligence (BI) technology is a high priority for today's retailers. In one recent survey conducted by AMR Research, nearly 60 percent of retailers said they wish to expand, improve, or replace their existing BI capabilities.¹ Yet while BI spending is on the rise, many of these companies are struggling with creating enterprise-wide BI strategies. Some retailers report problems with user adoption, saying they have made headway creating analytic applications related to merchandising, but are unsure how to roll out BI capabilities to individual stores and field personnel.

That's not a problem for Ace Hardware – at least since the company switched to WebFOCUS.

“We currently have more than 2,000 users running WebFOCUS reports on a regular basis – a number that will grow to 10,000 users once the BI software is fully deployed, including internal users, partners, and suppliers,” says Brian Cook, a software engineering consultant for Ace Hardware.

With stores located in all 50 states and 70 countries, Ace Hardware is the largest retailer-owned hardware cooperative in the United States. The company's 4,600 stores generate annual retail sales of more than \$12 billion.

¹“Retail Business Intelligence: A Long-Term Vision Supports a Short-Term Priority,” September 4, 2007.



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Snapshot

Organization

With 4,600 hardware, home center, and building materials stores, Ace is the largest retailer-owned hardware cooperative in the industry.

Challenge

Extend decision-making capabilities to all types of internal and external users via BI capabilities that are easy to access, integrate, and use.

Strategy

Convert existing reports to WebFOCUS reports; build a universal reporting platform to accommodate corporate users, customers, retail partners, and suppliers.

Results

Helps field staff monitor vendor performance and improve merchandising programs. Supplies thousands of users with accurate information – when they need it, where they need it, and in a form that facilitates decision-making.

Information Builders Solution

WebFOCUS, Professional Services

Ace Hardware's WebFOCUS project wasn't motivated by a desire for mere luxury finishes like some physical remodeling projects. The limitations of its former reporting system were becoming apparent, and IT pros decided that designing a new BI architecture would be the best way to construct a solid reporting foundation for the future.

"The inflexibility and sometimes inaccurate results delivered by our former BI tool made it difficult to keep development moving forward," says Cook. "There was a strain on the IT group to meet all the business intelligence requests coming in. We needed a tool that would allow us to scale to more users, while easing development and offering more self-service capabilities. After looking at a number of options, it was clear WebFOCUS was the best solution for us."

The Right Tools for the Job

Ace needed a business intelligence solution that could supply all types of users with accurate information – when they need it, where they need it, and in a form that facilitates decision-making. They selected Information Builders among several competing vendors, including Hyperion Solutions Corp. and Microsoft Corp. They liked how WebFOCUS offers simple nuts and bolts reporting capabilities for business users, as well as sophisticated analytical capabilities for professional developers – just like the

merchandise on Ace Hardware's shelves can serve the needs of both weekend hobbyists and professional building contractors.

Cook says his team favored WebFOCUS for its ease of development, scalability, and versatile data-access capabilities, particularly with respect to the SAP ERP system. Ace is in the process of implementing mySAP and the SAP for Retail solution portfolio. Cook is particularly enthusiastic about how WebFOCUS can obtain information from these enterprise software applications, not only at the data level, but also at the application level. "With data stored in multiple systems, including JD Edwards, SAP, and DB2, it was essential to have a BI solution that could pull data from multiple sources and integrate the results within user-friendly reports," he notes.

WebFOCUS also features strong integration with Microsoft Excel – even stronger than Microsoft's own reporting tools, according to Cook. He plans to utilize WebFOCUS Quick Data to allow users to create ad hoc reports right within Excel. Once installed as a simple add-in file, Excel users will be able to build reports that combine information from multiple data sets. These reports will be updated with current enterprise information each time they are opened, eliminating errors associated with manual cut-and-paste processes.

Remodeling the Infrastructure

For now, Cook and nine other developers are in the process of rewriting 300 production reports as WebFOCUS reports. Two systems engineers from Information



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Builders have helped with the migration effort. Where possible, they are consolidating multiple reports into one parameterized WebFOCUS report. Cook expects to complete the project by the first quarter of 2008. "We have good local support from the Chicago office, and Information Builders has a strong presence in this area," he says. "This certainly was a factor in our decision to purchase the software."

As new WebFOCUS reports come online, Cook and his team are proving that WebFOCUS is easy to scale to thousands of users, easy to adopt by the development team, and can efficiently access all of their data sources.



Brian Cook
Software Engineering Consultant
Ace Hardware

There are four basic groups of users:

- Ace stores, where merchandising managers run reports about inventory, promotions, and sales
- Field staff responsible for overseeing activities at the stores and running reports on retail performance
- Ace vendors, who monitor how their inventory is moving
- Corporate users in finance, marketing, advertising, merchandising, and other departments

WebFOCUS is installed on a Microsoft Windows platform, where it accesses data from Teradata, DB2, and FOCUS tables. Each day, Ace runs ETL procedures to extract data from a data warehouse and load it into FOCUS tables that have been optimized for reporting. “WebFOCUS is very flexible, so

we have plenty of data-access options,” says Cook. “It offers just about every possible orientation, whether it’s direct access, ETL, cross-platform, or report joins.”

Ace Hardware plans to use WebFOCUS Active Reports to offer portable analytic options to the field staff, who are often on the road visiting stores. “Active Reports are self-sufficient, so remote workers can analyze data without having to be connected to Ace Hardware’s intranet,” explains Cook. “Our field staff is the bridge between Ace and our retailers. They know all of our merchandising programs, and they work closely with dealers to monitor their performance and help them improve their businesses. Making their reporting environment more portable would be a real help to them.”

Learning on the Job

Most WebFOCUS users have taken to the BI software naturally. Developers attended training classes sponsored by Information Builders’ education department. The classes included training on WebFOCUS Dialogue Manager (a scripting syntax) and WebFOCUS Report Painter (a graphical report-development tool). Ace Hardware also engaged the Information Builders Professional Services organization to provide a combination of mentoring, knowledge transfer, and application development services. “Information Builders has worked closely with our team to help us understand the

right way to use the software,” says Cook. “They are very open to the things we have suggested, and very responsive about meeting our requirements. Information Builders seems to be aware of our needs and they work hard to make the project go smoothly.”

Cook says the relationship is mutually beneficial: Information Builders offers creative suggestions about how to deploy its BI software, while Ace provides insight into how BI technology can help retailers in general. “Our work is influencing WebFOCUS product directions and will ultimately benefit other customers,” he adds. “We are eager to continue this open relationship.”

If AMR Research’s findings are any indication, the progress Ace Hardware is making with BI technology will be welcome news to retailers everywhere. As business intelligence morphs into pervasive performance management, retailers must move beyond the siloed approaches to BI.² That won’t happen until retailers can construct and implement an enterprise-wide vision for reporting and analytics. Ace Hardware is leading the way. 🌐

² Op. cit.