

Ace Hardware implements robust point-of-sale and inventory management system

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Perle Systems Case Study

Solving the problem of real-time links between retail outlets' point-of-sale systems and headquarter inventory databases.

Just a few years ago, if someone went into their local Ace Hardware store and bought a new cordless drill, it would have taken several days before corporate headquarters was aware of the sale. With 5,100 stores stocking more than 65,000 parts in 50 states and 70 countries, it was hardly a model of modern efficiency.



While huge home improvement warehouses were multiplying and making life difficult for smaller, independent hardware stores, Ace -- the 80-year old Oak Brook, Illinois-based cooperative of independent stores -- found a competitive edge through technology.

The helpful hardware folks at Ace helped themselves with the implementation of a more current and robust point-of-sale and inventory management system. Eagle Vision is the new system that will provide them with a real-time link from the stores' point-of-sale system to the inventory database at headquarters. This was also an opportunity for Ace to move from their current system, PACE, which was running on UNIX, to a LINUX operating platform as an interim step to the final goal of Eagle Vision.



"The Web-based inventory management system allows dealers to share information while maintaining their independence," explained Ace Project Manager Laura Montesantos. The challenge Ace faced was moving stores from the PACE system to Eagle Vision. In addition to learning the new system, the migration created a need for new hardware.

"Stores using the PACE system have HP UNIX serial servers. They needed to move to a network system while maintaining some of their serial equipment. We decided on an intermediate step, leading to a legacy-friendly gradual changeover. We needed a terminal server to get onto the network and maintain the serial equipment, and decided on a Perle Terminal Server."



Ace looked at several server vendors before selecting the Perle Terminal Server. The Perle Terminal Server delivered an integrated multifunction solution for serial and parallel networking applications. It would also cut the cost of ownership and the need for multiple units by acting as a terminal server, remote access server, and modem pool.

Ace Hardware Corporation sells the terminals to stores, fully loaded and ready to plug and play. According to Montesantos, the 24- port Terminal Server was user friendly, cost competitive and attractive because of Perle's lifetime warranty. The Perle Terminal Servers were able to meet Ace's challenge of running on the network and working with existing equipment, thereby helping Ace defer the costs of implementation by having a gradual roll out schedule. The overall goal is to move the entire company to one streamlined computer system which involves the system being installed in 3,000 to 4,000 stores.

The technology solution is helping Ace stay competitive by tracking POS data and wholesale sales information, allowing the company to react quickly and correctly to consumer buying trends and patterns. The instant access to individual store information, along with data integration is delivering greatly improved inventory management and greater retail cost efficiencies.

The system empowers ACE to view and track retail sales data in real-time intervals. The legacy system had a weeklong lag time due to the volume of data that needed to be processed. Ace will now have a corporate-wide view of their inventory status. The real-time view of POS data also enables the tracking of advertising programs, along with the immediate measurement of their effectiveness.

Montesantos says that Ace believes the new solution will help drive down supply chain costs and increase sales. The new system is also faster, even on a consumer level reducing check out times. Ace is more competitive with the big warehouses because the new system lets Ace analyze at what price any individual product is most likely to sell for at retail. With this capability, retailers in the co-op can boost margins and present a more consistent pricing image to consumers.