



Epicor Success Story

Ace Hardware of Lake Gaston

Improving Operations and Profitability with Epicor Eagle Planner Series

Company Facts

- ▶ Location: Lake Gaston, NC and Rolesville, NC
- ▶ Industry: Hardware and Home Center
- ▶ Number of Locations: 2
- ▶ Website: www.lkgacehardware.com and www.rvlace.com
- ▶ Co-op: Ace Hardware



Success Highlights

Challenges

- ▶ Managing seasonal inventory
- ▶ Pricing strategies to improve margins
- ▶ Operating two locations

Solutions

- ▶ Epicor® Eagle®
- ▶ Epicor Compass™
- ▶ Epicor Eagle Planner Series
- ▶ Epicor Eagle Inventory Planner
- ▶ Epicor Eagle Pricing Planner
- ▶ Epicor Eagle Performance Manager
- ▶ Epicor Eagle Mobile Manager

Benefits

- ▶ Lower inventory levels in off-season increases cash flow
- ▶ At-a-glance inventory information from smartphone enhances service
- ▶ Strategy to improve pricing and instant price changes saves time
- ▶ Improved employee scheduling based on traffic
- ▶ Increased add-on sales based on affinity data

Ace Hardware of Lake Gaston and Ace Hardware of Rolesville have used Epicor Eagle solutions from the beginning, relying heavily on Epicor Business Advisor and Epicor Compass analytics to run the business. To help manage the growing business, they recently added several other solutions: Epicor Eagle Inventory Planner, Epicor Eagle Pricing Planner, Epicor Eagle Performance Manager, and Epicor Eagle Mobile Manager to create pricing and inventory strategies to improve profit margins across two locations.

A winning inventory strategy

"Prior to Inventory Planner, our inventory process operated like a light switch—on or off—we were ordering or not ordering," said Paul Owens, owner of Ace Hardware of Lake Gaston. "Our inventory plan was either peak season or not peak season. During the summer season, we can service 2,000 customers each weekend, so the winning formula is to be stocked to the gills with aggressive safety stock. Inventory can be close to \$700,000 for just one 9,000 square foot store. Inventory Planner helps us with cash flow in the winter time identifying top sellers and reducing slow moving items. The various forecasting models included in Inventory Planner allow us to more precisely control the service levels—by SKU, vendor, or month. Now, I can dial the service levels up to 99% in July or down to 80% in November using solid criteria. Our former manual process made it difficult to control factors

like vendor lead times, quantity discounts, and pre-paid freight minimums. Lake Gaston is a remote location, which increases freight costs, so we'd calculate orders based on the maximum volume that our box truck could handle. Now, we keep costs down managing our vendor cycle times. With Inventory Planner we have a strategy—good inventory plans make sales, but strategy builds the business."

Maximizing profit year round

The business was ready to take pricing action and was keenly focused on using Pricing Planner tools to maximize margins and preserve profits. "We are located in a resort area where the closest competition was a 30-mile drive, yet we struggled to keep healthy margins," said Owens. "Before Pricing Planner, we didn't have a pricing strategy or the means to implement one. Our yearly storewide price change, along with seasonal price adjustments, can exceed 17,000 price changes. Now with Item Price Change, we complete the task with the click of a button. We set up Ace best practice rounding and set rules for department level pricing, which allowed us to identify departments, such as plumbing, which maintained strong sales even without winter price drops. We have very limited space, so Pricing Planner illuminates storewide strategies to maximize profit year round. In fact, our year-over-year margin will increase by two percent thanks to Pricing Planner."

Guidance for running the stores

The dashboards and scorecards in Performance Manager are made to order for 'numbers guys'. "The information in Performance Manager is very useful for stores that have been open ten years or ten days," said Owens. "The Lake Gaston location uses the Top 100 tool to forecast next month's sales. And, using the Real Margin report, we spot check for items with margins that stand out as too low or too high. The new Rolesville location uses the daily sales by hour report, graphing store traffic patterns for optimal scheduling. Market Basket is our go-to tool each month to create store displays or promotions. There is nothing quite like this affinity tool, which fills a gap in our ability to increase add-on sales."

Improved customer service

Eagle Mobile Manager gives the business access to daily sales at both stores, check inventory, and modify orders or run price checks from his smartphone, while on the move. "

I use it ten times a day just to look at sales," said Owens. "We rely on Mobile Manager anytime we're ordering offsite and don't have Internet access. I use it when I'm in the store. For example, if I see a partially filled peg or empty shelf, I check the ideal SKU stock level and take action. What I use it for the most is answering customer and staff inquiries—the secret power is how Mobile Manager sets a new customer service standard."

About Epicor

Epicor Software Corporation drives business growth. We provide flexible, industry-specific software that is designed around the needs of our manufacturing, distribution, retail, and service industry customers. More than 40 years of experience with our customers' unique business processes and operational requirements is built into every solution—in the cloud or on premises. With a deep understanding of your industry, Epicor solutions spur growth while managing complexity. The result is powerful solutions that free your resources so you can grow your business. For more information, [connect with Epicor](#) or visit www.epicor.com.

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