



Epicor Success Story

E&H Hardware Group

Hardware Retailer Reduces Inventory Value And Increases Margins With Epicor Tools

Company Facts

- ▶ Location: Wooster, Ohio
- ▶ Industry: Hardware and Home Center
- ▶ Number of Locations: 21
- ▶ Number of Employees: 261
- ▶ Co-op: Ace Hardware



Success Highlights

Challenges

- ▶ Implement a technology solution to efficiently and effectively manage multi-store format

Solutions

- ▶ Epicor® Eagle N Series®
- ▶ Epicor Compass™
- ▶ Epicor Eagle Pricing Planner
- ▶ Epicor Eagle Mobile™ Manager
- ▶ Epicor Eagle Accounts Receivable
- ▶ Epicor Eagle integration to NCR

Benefits

- ▶ Increased margins 2.5% companywide
- ▶ Reduced inventory value by 6% per integrated hardware/grocery store
- ▶ Able to "price lock" items based on desired margins
- ▶ Make informed buying decisions and plan for growth more strategically

Family owned and locally operated, E&H Family Group owns and operates Buehler's Fresh Foods supermarkets and E&H Hardware Group. In 1959, E&H Hardware Group opened its first hardware store in Orrville, Ohio. Today, E&H Hardware controls 21 Ace Hardware stores in Ohio.

With E&H Ace Hardware store locations ranging from standalone shops to locations connected to select Buehler's Fresh Foods stores—as well as size ranges from 8,400 square feet to 17,840 square feet—the business has a variety of store formats to manage. Each store is also located in a different market, some are rural with no big-box competition and others are in urban settings with countless competitors. Epicor Eagle N Series has been E&H Hardware Group's solution of choice to tackle competition and efficiently manage the multi-location business.

Geared to combat competition and enable growth

Independent businesses can compete and grow by discovering and replicating what successful companies are doing to achieve growth. "Advice from other Ace retailers and Ace corporate led us to Epicor in 2011," said Rich Fishburn, director of operations, E&H Hardware Group. "We were [and are] growing and needed something that was geared towards a hardware store. We also wanted a perpetual inventory system to help with ordering, as well as a solution that would seamlessly work with Ace. We got all that and more with Epicor."

“We’ve seen many benefits with the Epicor Eagle N Series solution. For example, many of our in-store processes have been simplified, we’re able to segment our prices, and we can now benchmark our business against big-box stores. None of this would have been possible with our previous software,” added Fishburn.

“From an operations standpoint, the Epicor Compass solution has paid for itself ten-fold, and I would never want to go back to any other system that doesn’t have this kind of capability,” said Fishburn. “We are actively trying to not only grow our sales and margin, but also grow our store count. So, if there’s a store we’re looking to buy, we’re able to pull that data into our Epicor system, analyze it, benchmark it to other stores, and compare their planogram currency versus ours. With the data available in the Epicor system, we’re able to make informed buying decisions and more strategically plan our growth.”

Quick and efficient information

Investing in new technology and innovation has made differentiation possible for E&H Hardware Group. “The Compass tool has changed everything for us. It gives us the detailed data we need to run the business, and it lets us slice and dice everything from customer numbers, sales, and inventory value to margins and average costs,” said Fishburn.

“We’re also able to automate e-mail messages as needed for our management team. For example, we have daily sales e-mails that go out for every store. We compare sales for that day to last year during the same time, including a comparison of gross margin. We also compare transactions and basket size,” said Fishburn. “With Compass, we’ve been able to increase actionable awareness for our operations group. We can easily benchmark stores so we can line up all our stores and data. For example, we’ve been able to change our store hours based on that data, which leads to labor and utilities savings.”

“We’re able to see right away if we have an underperforming department, then we can dig in and figure out why. We have been able to reduce inventory in certain departments because

we have the data. Once we implemented the automatic ordering and automatic order points functionality within Eagle N Series and the Compass tool, we reduced our inventory value on average by 6 percent per store,” said Fishburn.

Competitive pricing structures

Pricing is one of the most important strategies a business undertakes. E&H Hardware Group is able to carefully analyze data with the Epicor Eagle Pricing Planner tool to offer prices that boost the bottom line. “From a competitive standpoint, the Eagle N Series system and Pricing Planner tool have truly helped with our pricing strategy,” said Fishburn. “Margins companywide have increased 2.5 percent and we’re able to truly customize our prices. We look at prices by store, velocity code, and price competitiveness. Pricing Planner also enables us to ‘price lock’ items based on the margins we want.”

“For example, gas cans are a sensitive type item for us. We use Pricing Planner to lock our margins so that our prices follow the same trend if they go up or down. This helps keep our price competitive, but also lets us get more margin out of those items without sacrificing a competitive advantage. Before Pricing Planner, we simply followed the Ace level-one pricing. Now, we’re able to tailor it and have a different pricing structure in our city stores versus rural stores,” added Fishburn.

Educated product orders

E&H Hardware Group has access to critical business data from a mobile device when needed. “The Eagle Mobile Manager tool is primarily used by our merchandiser when he attends the Ace buying show. It really helps accurately order for all 21 stores,” said Fishburn. “With a glance at Mobile Manager, he can clearly see specific product sales by store and quickly tailor orders to each store. Before, we were just shooting from the hip and usually had excess products or not enough. Now, he knows exactly what we have in stores based on facts. For example, we buy semi-loads of batteries. With Mobile Manager, it’s much easier to identify the stores that don’t sell batteries very well versus stores that need them more frequently.”

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Rich Fishburn, Director of Operations | E&H Hardware Group

eStatements save time and money

"With our previous software vendor, we had to write out every invoice and everything was done manually for our house accounts. Today, we have more than 2,000 companywide—just think of how much time that would take," said Fishburn. "Additionally, we were never able to automatically give house accounts a discount or build a pricing plan for them. Epicor has streamlined our invoicing process now and everything is automatic. Epicor Accounts Receivable saves significant time and allows us to put our resources elsewhere."

"We also implemented e-mail statements for house accounts to help save on postage and paper. We save a ton on postage, labor, and paper. I would say because of Epicor Accounts Receivable eStatements, we save roughly about \$400 a month by not mailing the statements, and that's just the postage. That's not labor, paper, ink, or printing—so I know our savings are actually much higher," said Fishburn.

An integration for the books

Five of the E&H Ace Hardware stores are located within a Buehler's Fresh Foods grocery store. The format of those stores is wide open, so customers can check out hardware at the front grocery registers or back to the hardware store. "Epicor designed an integration so that our NCR solution, which is used in our grocery business, can 'talk' to our Eagle solution. With this integration, we can easily track the sales, quantity-on-hand data, department sales data, and gross margin, which lets us compare all freestanding stores to our attached grocery stores," said Fishburn. "We can now compare apples to apples instead of apples to oranges. Prior to Epicor, we wouldn't have been able to keep track of quantity-on-hand or the other data, and would have really been operating in the dark."

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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