



Epicor Success Story

A Few Cool Hardware Stores

Independent Hardware Store Collective Sees ROI Perks of Running on Epicor Solutions

Company Facts

- ▶ Location: Logan Circle, Washington, D.C.
- ▶ Industry: Hardware and Home Center
- ▶ Number of Locations: 11
- ▶ Number of Employees: 250
- ▶ Website: www.acehardwaredc.com
- ▶ Co-op: Ace Hardware

A few cool 
Hardware Stores



Success Highlights

Challenges

- ▶ Remain relevant and competitive among infringing “big-box” competition
- ▶ Improve reporting with new technology tools without increasing workloads

Solutions

- ▶ Epicor® Eagle N Series®
- ▶ Epicor Eagle Inventory Planner
- ▶ Epicor® Compass™

Benefits

- ▶ Decreased inventory dollars and improved in-stock position—freeing up \$200,000 in cash flow
- ▶ Grew overall business revenue by 5.2 percent
- ▶ Gained access to data needed to run high-quality business
- ▶ Reduced negative quantity-on-hand by 25 percent
- ▶ Proactively manage 600 house accounts companywide

Founded in historic Logan Circle located in the Northwest quadrant of Washington, D.C., A Few Cool Hardware Stores began in 2003 with the opening of the business’ first location, Logan Hardware. Since then, the local hardware store collective has expanded into 10 other locations in the area—Glover Park Hardware, Tenleytown Ace Hardware, 5th Street Ace Hardware, Adams Morgan Ace, Canton Ace Hardware, Federal Hill Ace Hardware, Old Takoma Ace Hardware, Old Town Ace Hardware, Waverly Ace Hardware, and Woodley Park Ace Hardware.

When Owners Gina Schaefer and Marc Friedman first started A Few Cool Hardware Stores in Washington and Baltimore, there weren’t any big-box competitors nearby. “When we first opened, both of our markets were significantly underserved for independent hardware stores, as well as for national chains,” said Friedman. “In the last few years, we’ve had Home Depot and Lowes move in. We are fortunate that we have strong customer loyalty. In order to remain relevant and competitive, we rely on our partnership with Epicor and the technology solutions it provides.”

Growth and partnership intertwined

Business can effectively respond to growth by embracing industry partnerships. A Few Cool Hardware Stores has seen this firsthand in their work with Epicor. “In the early days, we were novice users on the Epicor Eagle solution. But over the years, and as we’ve expanded, we’ve become

near power users," said Friedman. "We see the value Epicor solutions deliver to our business and we've used them almost exclusively to help us grow our business. And, as we've grown and determined new needs, we've added on new solutions that Epicor has to offer. There are not many parts of our business that aren't impacted by Epicor technology. We rely on Epicor Eagle N Series and its applications for point of sale (POS), inventory management, reporting, and more. It is our central system for operations."

Significant ROI via decrease in inventory

The reduction of inventory carrying costs has much to do with a business' growth and profitability. A Few Cool Hardware Stores utilizes tools from Epicor to better forecast this area. "Inventory drives sales, so to be able to decrease total inventory dollars while having revenue growth is the ultimate end goal, and we're getting there with Epicor," said Friedman. "The Epicor Eagle Inventory Planner solution has helped us decrease our inventory dollars and improve our in-stock position. And, we're continuing to improve that position by following the Epicor and industry best practices. To date, we've been able to free up \$200,000 in cash flow, and significantly altered our inventory management processes. On top of that, we've seen our revenue grow by 5.2 percent."

Access to data

At the heart of making good business decisions is gaining a clear understanding of where a business presently stands and what lies ahead. Access to data has been key for A Few Cool Hardware Stores' business operation. "The Epicor Compass tool does so many things—it's very robust. It has given us access to the data we need to run our business in a high-quality way," said Friedman. "We do a lot of ad hoc reporting for category or merchandise classes, and there's always general reporting,

sales margins, and customer counts. Compass software helps us take our recurring activities and turn them into a push system instead of a pull system. It helps us do what we want to do, better—leading to more accuracy and more control of the entire business."

"We use Compass software a lot for inventory management—new items or negative quantity-on-hand, returns and return consolidation—as a way to safeguard our internal controls, especially around returning cash transactions and shrinkage monitoring. It's become a very integral part of our operations," said Friedman.

"I love the daily reports and we use them to no end. Our managers get various daily reports—cash returns from the day before, items in their stores that have a location code of 'new,' items in their stores that have a negative quantity-on-hand, etc. It allows very actionable, very repeatable reporting that lets us stay on top of our activities," said Friedman. "With Compass, we've been able to remove two to five steps from reoccurring processes and the daily e-mails are a nice reminder of the activities that need to happen."

"For example, the negative quantity-on-hand report is delivered to managers every morning. It's an actionable list of 10 to 100 items that need to be recounted or identified so that we can correct the inventory, get that quantity-on-hand corrected, and, if needed, reordered. This helps us continue to drive sales without much interruption. Our negative quantity-on-hand number has considerably improved since we implemented the Compass solution. We've had a 25 percent reduction in negative quantity-on-hand. Because we have a low inventory level, that inventory needs to be managed actively—if it's not worked on daily, it can quickly get out of hand. Compass removes that initial obstacle of starting from scratch every day and automatically prepares reports for us," said Friedman.

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Marc Friedman, Owner | A Few Cool Hardware Stores

Proactively manage B2B accounts

"The Compass solution has flipped how we manage our business-to-business (B2B) activities—helping us proactively manage 600 house accounts companywide," said Friedman. "We've developed reporting dashboards to tell us exactly who our B2B customers are and who is frequently purchasing from us, as well as the departments they're shopping and those they're not shopping. We can look at each account's sales history and see if they stopped purchasing a specific product. It's a preemptive approach to working with our B2B customers."

"We also use Compass software to categorize B2B accounts so we know how to work differently with each. Through the Compass tool, we've been able to figure out, for example, that one account is buying paint supplies from us, but they're not purchasing plumbing supplies from us. As we go into the account management aspect, it brings an awareness of what we

need to do to get the business to purchase new products from us. Before Compass, we weren't focused in the right areas in regards to our B2B customers. Compass opened our eyes to this area, and now we use it regularly, probably more than anything else—it makes this process much easier and more accurate," said Friedman.

"Now, we're using analytical data regularly," added Friedman. "Honestly, I can't imagine what our processes and numbers would be like without Compass software."

Enriched customer experience

"One thing we say in our organization is that great product stock levels are a sign of exceptional customer service," said Friedman. "With Epicor solutions, we have dramatically enhanced our inventory position. In turn, the customer experience we are able to offer our shoppers has dramatically improved because we have the products they want, when they want them."

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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