

Retailer Automates Supply Chain with ECRS

CATAPULT and ECRS Supplier Integration Server Provide Automatic Replenishment

An Interview with Frank Comer, Owner
 Chapman's and Wynnton Hardware

ECRS: How Did Chapman's and Wynnton Get Started?

Comer: Back in 1957 Chapman's started out as a variety store, a retail format that was prevalent in that era. As one of the past owners phrased it, "We had everything from Buster Brown Shoes to goldfish." In those early days, Chapman's had only a very small hardware section. Back then they ordered all their items through a single large distributor. As time went by, their orders got bigger, so they were able to buy directly from manufacturers, which presented more merchandise choices than was available from the distributor. I bought the business in 1990 and moved forward with the direct purchasing approach for certain lines of inventory.

During the 1990s, Walmart's momentum and the success of other big box retailers caused many of Chapman's competitors to go out of business. I suddenly saw a critical need to specialize by differentiating our inventory in order to stay relevant to our customers and stay in business. We went from 3 main distributors to over 200 different manufacturers almost overnight. Getting rid of the middle man created a lot of extra work of course, but this was something we had to do to stay competitive.

ECRS: Tell Us About Your Customers and How You Serve Them.

COMER: Wynnton Hardware and Chapman's are very different when it comes to customer demographics. Wynnton is dependent primarily on it's own neighborhood for business. It's a repair-based store format, rather than a home improvement format like Lowe's or Home Depot. There are a number of these large hardware chains throughout our area, so our customers are primarily shopping for fix-it supplies rather than project supplies, which they get from the big box stores.

ECRS: How Did You Come to Choose ECRS as Your POS Provider?

COMER: On the hardware side, Orgill was our predominant supplier. We'd considered doing the end-around approach on them, but we really didn't have the volume to get good pricing directly, so Wynnton stayed with Orgill. So between Chapman's and Wynnton we had a North Pole/South Pole situation. On the one hand, we had nearly 300 suppliers on the Chapman's side for celebration supplies, which had become the store's specialty. We'd also added a small but profitable niche section of educational supplies, which has been very successful at Chapman's. Wynnton, on the other hand, had a single supplier for its hardware goods in Orgill.

In 1992 we bought a POS system from a local guy who had written the application himself. We wanted one-stop shopping with whatever system we bought so that we'd only have one point of contact for any issues that



Wynnton Hardware and Chapman's are both powered by the CATAPULT Enterprise POS system.



Frank Comer, Owner
 Wynnton Hardware & Chapman's

came up, whether they with the software or the hardware. Our local guy was able to provide a complete hardware/software system that he installed and supported. The system worked well for us through most of the 1990s, but the upcoming Y2K situation was going to force us to find a new solution.

Our local POS provider had sold out to a larger company, who talked us into buying their Y2K-compliant system. The new system simply did not work the way we'd been promised it would, and for 4 or 5 years we couldn't even create a purchase order. It was basically an overpriced cigar box. Our frustration led me to hire a POS consultant to go find a system that was right for us.

Through her research and by attending a couple of major trade shows she identified a total of 51 companies who said they would cater to our size business. We then sent out a 33-page RFP to all 51 companies, a majority of which said they would not be responding to our request for proposal. Some of the objections included "Your requirements are too complicated," and "We can't answer your questions because that's proprietary information."

Out of 51 companies, we received back 20 RFPs. We then went through a weed-out process in which we looked at key factors such as company stability, number of installations, and support response time. Only 5 companies made it to the final round, and of course ECRS was one of them. Two ECRS sales representatives came down and spent an entire day in our store doing product demonstrations and answering our questions. By the end of that day, I was thoroughly convinced that ECRS was the best POS vendor in the country, and that CATAPULT was far and away the best system for Chapman's and Wynnton Hardware.



CATAPULT captures item movement data at Wynnton Hardware's front end and analyzes the data to create automatic POs for Orgill merchandise.

ECRS: How Does CATAPULT Help You Run Your Stores More Efficiently?

COMER: The great thing about CATAPULT is that ECRS has given big store capabilities to the small independent. CATAPULT provides Chapman's and Wynnton Hardware with the power of data on demand, which is something we've never had before. By that I mean we have now have this robust tool that shows us on the fly what is actually going on in our stores at the item, department, and supplier levels. Any time we need it, CATAPULT can provide a snapshot of both our fast and slow moving items for any date range we choose, which is critical when competing with the larger retailers. Thanks to CATAPULT, we constantly have our finger on the pulse of our margins and our movement data, and can leverage any one of the system's 40+ standard reports to quickly get the information we need to make intelligent business decisions.

ECRS: How Do ECRS and CATAPULT Figure Into Your Relationship with Orgill?

COMER: The ECRS Supplier Integration Server (SIS) lets Wynnton interface directly with Orgill, our supplier for all of our hardware items. SIS works invisibly in the background, so we hardly even know it's there, which is interesting considering it has completely streamlined and simplified our ordering process. Before SIS, we used to run a number of inventory reports to determine which items we needed to reorder each week, and how many of each to get from Orgill.

With CATAPULT version 4.0, we now let the system's inventory forecasting feature create suggested purchase orders, which we can review before sending them





to our supplier. Sending an auto-generated order is so incredibly simple. We just press one button and away it goes to Orgill. A few minutes later I get a confirmation email from Orgill letting us know that they have received our PO. Then I get a second email from Orgill once the merchandise has shipped. SIS even updates the quantities in the POs for me once the items leave the warehouse so that I know how many of each item to expect and which items are on back order. SIS also automatically adjusts my POs to account for any changes in item costs, which is an awesome safeguard against margin erosion. Having this level of supply chain automation is unbelievably empowering for an independent retailer like myself. It's a mystery to me why more suppliers haven't gotten on board with ISVs providing this kind of innovative technology. It makes everybody's life easier, saves everyone a lot of money, increases accuracy, and lets us serve our customers more efficiently.

ECRS: Have You Ever Attended CATAPULT University?

COMER: We attended CATAPULT University in the Fall of 2004 just before our system was to be installed. We brought with us a number of other questions that we'd thought of since our in-store demonstration. The ECRS trainer was able to show us how CATAPULT would address all of our concerns. We were able to intermingle with other CATAPULT users and swap stories from the trenches of retail. Being able to "sit behind the wheel" in training class and "drive" CATAPULT provided another degree of assurance that we'd chosen the best POS provider out there. Furthermore, it was a huge plus being able to tour ECRS headquarters and meet the people behind the product. The whole experience of CATAPULT University helped us make a very smooth transition from our old system to CATAPULT. And when you're talking about moving over 40,000 inventory items into a new system, I can't imagine making the switch without the product knowledge that we received at CATAPULT University.



ECRS: Do You Have Any Closing Comments?

COMER: The phenomenal level of support we get from ECRS is a constant reminder that I we made the right choice in our POS provider. There is a certain top-down customer-centric attitude which permeates the company, and which sets ECRS apart from their competitors. And I use the term "competitors" with caution because from what I've seen, most other POS companies are just not in the same league as ECRS.