



## Ace Hardware gains rapid increase in productivity and performance migrating to Informatica® PowerCenter®

“Informatica has given us a robust and consistent platform to manage the flow of data into and out of our analytic infrastructure. In addition, we have solved other data movement problems with Informatica. Whenever we have a data integration opportunity, our first thought is now Informatica.”

—Mark Cothron, Data Warehouse Architect, Ace Hardware

### CHALLENGE

Analyzing wholesale, inventory, and Point of Sale data from thousands of stores in real time

### INFORMATICA SOLUTION

- Informatica PowerCenter®
- Informatica PowerConnect™ for IBM® MQSeries®

### BENEFITS

- View of POS data in real time
- Improved pricing structures
- Higher developer productivity
- Solid performance gains

### ARCHITECTURE

- Data integration: Informatica
- Sources: JD Edwards, DB2, SQL Server, and flat files
- Targets: Teradata, DB2
- Platform: Windows NT

Ace Hardware, headquartered in Oak Brook, Ill., was established in 1924 and today serves over 4,800 independently owned and company owned hardware retailers in 50 states and over 72 countries.

### The Challenge

Traditionally, Ace Hardware has been a wholesale-focused company providing over 4,800 independent and company owned stores with products. As a result, Ace optimized its reporting and IT infrastructure around tracking what products the retailers ordered, when they were ordered and shipped. However, there was a fundamental problem—they could not track or forecast actual sales. Nor could they quickly and efficiently integrate critical Point of Sale (POS) data with wholesale and inventory data maintained in multiple disparate systems.

This was critical as two years ago, Ace changed its vision and strategy by deciding to strengthen its dominance in the convenience segment of the retail home improvement market. A central part of this strategy was integrating wholesale and inventory data with POS data to help drive key business decisions, improve category management, lower inventory costs, and optimize pricing. To achieve these goals, Ace needed to invest in new technology by re-architecting its reporting environment.

Previously, Ace relied on writing custom code to integrate its POS data with its wholesale and inventory data. However, this proved to be a resource intensive process that led to major performance constraints. As a result, Ace was only able to view POS data on a weekly basis—which is not optimal in today's increasingly competitive retail environment.

## The Solution

The Ace development team looked at several data integration products and after extensive testing and benchmarking selected Informatica PowerCenter® and Informatica PowerConnect™ for IBM MQ Series.

Ace Hardware is currently using the Informatica data integration platform to integrate critical POS data from approximately 1,500 of its retail locations with its wholesale and inventory systems into a 600 gigabyte Teradata data warehouse for strategic analysis by sales, marketing, and pricing managers. These managers now have access to sales information by product, location, product category, promotional code, and SKU. And over time, Ace expects to integrate more of its stores' POS data into the data warehouse, which is expected to grow to several terabytes in the next few years.

By tracking the individual items sold from its stores, Ace is able to identify the items bought from other vendors, which is significant because Ace retailers are not required to buy all their merchandise from Ace. By tracking the items that are purchased from other vendors, they are able to negotiate better deals for its retailers through aggregate purchasing.

The Informatica data integration platform is also a driving force behind the success of the Ace Customer Loyalty Program. By tracking the POS data from its stores, Ace has been able to assign each purchase a point value and reward customers accordingly

## The Results

### Real time data warehouse and POS analysis

Using Informatica PowerConnect for IBM MQSeries, the company's goal is to view and track retail sales data in real time. Previously, this data was viewed after a one-week delay because of performance and data cleansing issues. Through real time POS analysis, Ace will be able to replenish its inventory systems and stock its stores more quickly, reducing inventory holding costs.

### Improved pricing structures

Having access to critical POS data across different stores, products, and locations, Ace has been able to increase profit margins and pricing structures. For example, if a store was selling a hammer for \$3.99 and all other stores in the region were selling it at \$4.99, a recommendation would be sent to the region to standardize on the higher price.

### Effective marketing programs

Through its Customer Loyalty Program, Ace has been able to target customers more effectively to increase sales by analyzing customer buying habits through historical data analysis and trend detection.

## Increased development productivity

By eliminating all custom developed programs using the Informatica data integration software, Ace has seen a 50 to 60 percent improvement in development productivity.

## Solid performance gains

Ace has been able to leverage the Informatica parallel processing capability by breaking large jobs down to size with partitioned and threaded sessions, enabling a 50 percent improvement in the development of system processing time.

**INFORMATICA**  
The Data Integration Company™

Worldwide Headquarters, 100 Cardinal Way, Redwood City, CA 94063, USA  
phone: 650.385.5000 fax: 650.385.5500 toll-free in the US: 1.800.653.3871 [www.informatica.com](http://www.informatica.com)

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