

IBM Express solution helps garden center Gro-Rite.

“Our competitive edge is that we grow and sell our own plants. But the IBM Express portfolio of solutions allows us to provide better, faster service, and that’s been a critical advantage for us in competing against the big garden chains.”

Ken Vande Vrede, General Manager, Gro-Rite



Overview

■ Challenge

A mid-size retail garden center needed to be more responsive to its customers by transforming key business processes, specifically checkout transactions

■ Why Become an On Demand Business?

Improved efficiency, productivity and customer responsiveness allowed Gro-Rite to become a more resilient business in a fiercely competitive local market

■ Solution

11 IBM SurePOS™ 500 Express workstations and Suremark printers, linked to a central bank of 7 IBM xSeries® 235 servers. Installation by Systems Technology Group, an IBM Business Partner

■ Key Benefits

- *Faster customer transactions led to higher customer satisfaction levels*
- *Increases repeat business and improves profitability*
- *Fast, complete installation in three days*

» On Demand Business defined

An enterprise whose business processes—integrated end-to-end across the company and with key partners, suppliers and customers—can respond with speed to any customer demand, market opportunity or external threat.

**On Demand Business
Potential Benefits**

- Increases productivity in checkout lanes by 20% during peak season, and anticipated 50% gains in off-peak season, due to faster registers processing more customers in fewer checkout lines
 - Boosts sales by 8-10% over previous year's peak quarter
 - Enhances resilience in marketplace by being able to deliver faster, more personalized services
 - More reliable 'retail hardened' point-of-sale workstations decrease downtime, increasing potential for more sales transactions
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Retail strategy built on better service

Gro-Rite (www.gorite.com) is a family-owned wholesale and retail garden center and greenhouse operated in Lincoln Park and White Township, New Jersey. Starting out as a small wholesaler growing and selling its own plants and flowers in 1973, the company has grown to more than 100 employees and over \$6 million in sales last year.

But the emergence of "big box" chains with garden nurseries has challenged Gro-Rite for customers. "You can't go head to head with them," explains Ken Vande Vrede, general manager and a second-generation member of the family who founded Gro-Rite. "You have to find a niche. Ours is great service, and one area we concentrate on is the checkout lane, where we make sure our customers don't have to wait in line."

Long lines, dust clog system

Waiting in line became a problem during the 2004 peak season from April through June, when 70 percent of annual revenues are generated. Gro-Rite had been swamped with business on weekends. Its 11 checkout lanes regularly backed up 15-20 people deep. Customers complained and business was lost.

Making matters worse, some older keyboards clogged with dirt and dust circulating in the harsh nursery environment, shutting down lanes at inopportune times. "When a point-of-sale system goes down, even for a few minutes, the store can't complete transactions. Revenues can drop, followed by declines in customer loyalty and profitability," Vande Vrede explains.

Express solution means quick installation

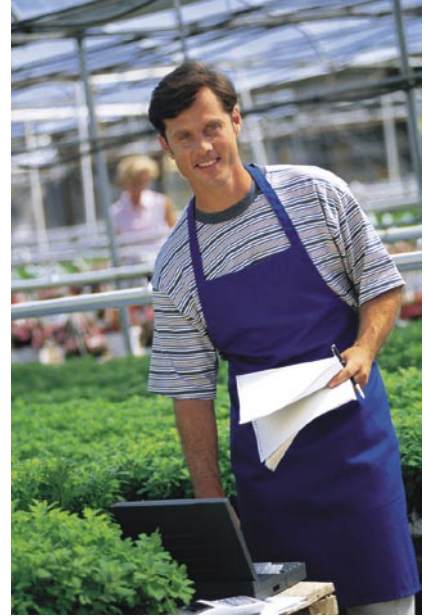
When the peak sales season rolled around in April 2005, the company decided to replace all of its aging point-of-sale workstations with state-of-the-art IBM SurePOS 500 Express systems. Systems Technology Group (www.stgpos.com), an IBM Business Partner, installed 11 IBM SurePOS 500 Express systems with touch screens and magnetic stripe readers, and 11 IBM Suremark printers, all integrated with RetailPro software.

Literally overnight, six of the 11 registers were up and running in both stores, the administration servers were online, and cashiers had been fully instructed on how to operate the new touch screens that replaced keyboards. “Speed of installation was very important to us because we didn’t want to lose business. We didn’t miss a beat, it was a very smooth transition completed in just three days. The cashiers found the Express workstations user friendly to learn and operate,” explains Vande Vrede.

Faster checkouts, higher revenues

With the SurePOS 500 Express workstations in place, Gro-Rite experienced a record peak season in 2005, with increased sales of approximately 8-10 percent over the previous year’s peak quarter. Vande Vrede credits the SurePOS 500 Express workstations for the gain. “When customers don’t worry about standing in line, they tend to shop longer, spend more, and return more often. IBM’s point-of-sale workstations helped improve customer loyalty and satisfaction, which led to higher sales and revenues. It’s a win-win—for us and for our customers.”

In the main store in Lincoln Park, Gro-Rite achieved a 20 percent gain in productivity during the peak quarter, when nine SurePOS 500 Express registers replaced 11 older registers, yet customers moved through the checkout lines much faster than before. In the non-peak months, Vande Vrede expects to use half as many registers as usual to service his customers—a 50 percent savings in labor costs.



Key Components

Hardware

- IBM SurePOS 500 Express workstations
- IBM @server xSeries 235 servers
- Suremark printers

Services

- IBM Global Services—Global Financing
 - Installation services from Systems Technology Group, an IBM Business Partner
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'Retail hardened' for harsh environments

Mark Gillie, an account representative for Systems Technology Group, adds that the SurePOS 500 Express is a perfect match for Gro-Rite's harsh nursery environment, where dirt, dust, grime and spills are commonplace. "The IBM registers are designed to withstand far more hazards than a typical retail store," he says.

"Without a doubt, the IBM Express Portfolio of solutions has benefited us, in terms of uptime, growth, profits, cost savings, and customer loyalty. With ease of use, faster customer processing and improved inventory tracking of our 20,000 products, we're now operating more efficiently and with greater reliability than before the Express solution," adds Vande Vrede.

For more information

To learn more about the IBM Express Portfolio of solutions for the On Demand Business, contact your local IBM representative or visit:

ibm.com/businesscenter/expressportfolio



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