

# Getting closer to customers and standardizing on HP helps hardware chain attain 30 per cent annual growth



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—Paul Singh, Director of Information Technology, TSC Stores L.P.

**HP customer case study:** Ontario, Canada-based retail hardware chain relies on customer relationships and an all-HP platform to support expansion

**Industry:** Retail

## **Objective:**

Enhance customer service, increase efficiency, and support growth

## **Approach:**

Standardize on HP for servers, switches, desktops, notebooks, and printers

## **Business benefits:**

- Thirty per cent annual store growth supported
- Twenty-five to 30 per cent annual increase in transaction load easily accommodated
- Fourfold faster desktop and notebook deployment from standardized platform
- Enhanced mobility – ability to run compute-intensive CAD and store-planning applications on notebooks

## **A universal wish**

Every business wants to be closer to its customers. TSC Stores, a retail hardware chain with 33 mostly rural locations across Ontario, Canada, accomplishes this goal by hiring customers to serve other customers. The idea is that no one knows someone's needs better than a neighbour.

Customers seem to agree. The hardware chain was able to grow its store count by 30 per cent last year while at the same time replacing 15 per cent of its existing store network. In the coming years, the company plans to continue to grow store count in the 20 to 25 per cent range and is committed to replacing all of its existing traditional stores.

Several other factors contribute to the chain's growth. TSC invests heavily in training to give each of its nearly 550 employees extensive product expertise.

The company also uses its knowledge of customers at each location to carefully select an extensive inventory. TSC caters to people who enjoy the country lifestyle, stocking 17,000 items for farm and country home improvement, working the land, and outdoor hobbies.

“Customers often tell us,” says Paul Singh, director of information technology at TSC, “that if they can't find it anywhere else, they can find it at TSC. What keeps them coming back is our product range and our product expertise.”

The challenge at all 33 stores is to keep the right items on hand at an affordable price. And the critical link to ensure this is IT.

TSC has standardized its IT infrastructure on HP. “Every step in our supply chain, from receiving a product at our distribution center to managing it through a store's inventory to ringing it up at the point of sale is serviced by HP,” says Singh. “The reason is reliability.”

## Customer solution at a glance

### Primary hardware

- HP ProCurve 2524, 2650, 2848 and 4801 switches
- HP ProLiant ML350, ML530, DL360, and DL380 servers
- HP dc5700 Business Desktop PC
- HP Compaq nx9420 notebook PCs
- HP LaserJet 9000, 4600, 4345, 4200, 4100, 5550 series printers
- HP DesignJet 450, 130 series printers

### Primary software

- Microsoft Office 2003
- Microsoft Exchange Server 2003
- Microsoft SQL Server 2000
- Crystal Reports, Crystal Enterprise
- JDA Intactix Space Planning software
- JDA Win/DSS Point of Sale
- AutoCAD 2008

### HP Services

- Support provided by Protek Systems, an HP Partner

### Improving the customer experience

"The objective of our IT solutions," explains Singh, "is to help employees focus totally on customer service. We take as much manual labour as possible out of steps such as inventory control, store scheduling, and decision support."

HP entered the picture in the early 1990's with printers. An HP Business Partner named Protek Systems began serving the account in 1995.

In 2001, TSC decided to network all locations. Influenced by a positive experience with Protek service and HP products, the company chose an HP infrastructure. As Singh recalls, "HP's reputation for reliability and security is something we'd experienced for ourselves." Now the company's network consists of 39 HP ProCurve 2524 switches and 57 HP servers, many of which are HP ProLiant ML350 G5 systems.

"Our HP servers are the most critical component of our HP solution," Singh says. "We need 24/7 operations in our stores. We have night crews receiving and restocking product and our warehouse is managing inventory at all hours. The servers have proven to scale easily and dependably handle a 25 to 30 per cent annual increase in throughput."

### Lowering desktop and notebook TCO

As of 2004, TSC had desktops and notebooks from several manufacturers and decided to standardize on HP. "Probably our most reliable equipment is HP," Singh explains. "We've had other notebooks over the years that have failed and been replaced. When there's an opportunity to replace a piece of equipment, we tend to turn to HP for a solution. As a result, the amount of non-HP equipment we have is negligible."

The gain is efficiency. "Because equipment and systems are consistent, we have a cookie-cutter approach," Singh says. "We're very effective at building new stores, renovating old ones, getting cash registers up and ready and trouble shooting any issues that might arise. Training time and administration time are minimized. A standardized platform lowers our overall TCO."

Another benefit is fourfold-faster PC deployment. "Using an image deployment tool, we can deploy a standardized desktop in a little over an hour, compared to the four to five hours it would take if we had systems from multiple vendors, and had to deploy each machine manually," says Ron Dewsnap, infrastructure manager at TSC.

The company is currently upgrading to the HP dc5700 Business Desktop PC to serve its staff of more than 550 employees. Mobile workers, including top executives and trainers, use about forty HP Compaq nx9420 notebook PCs. Technology is refreshed on three-year lease cycles.

### Getting the right fit

"HP's range of choices is valuable," Singh says. "We don't need to deploy Cadillac solutions to all users. We want to tailor a solution to each set of needs, and HP gives us a broad range of functionality, processors, speed, and power to choose from."

HP dc5700 Business Desktop PCs serve as point-of-sale (POS) machines in stores, running Microsoft Windows XP. "POS machines are the final handshake in the customer transaction," says Peter McMahon, vice president of sales and marketing for Protek Systems, TSC's HP Business Partner. "We recommended the 5700 because it supports a reliable, smooth, enjoyable customer experience."

"We have only three or four checkout lanes in each store," Singh adds. "We can't afford to lose one."

The company chose HP Compaq nx9420 notebook PCs because they have wide screens and keyboards to ease the transition for workers from desktops. "From a performance point of view, the HP notebooks have been great, running everything from basic applications right up through our compute-intensive AutoCAD and Intactix store-planning applications," Dewsnap says.

"With the dedicated graphics in our HP notebooks, our staff can take an application like Intactix right out on the store floor to do our planning," Dewsnap adds. "And we have a group of executives, trainers, and other workers that travel between stores. Our HP notebook PCs let them take along everything they need."

### **Protek is more than a partner**

TSC counts on Protek to be its R&D lab. "We give them the requirements and they do the research, coming back with the appropriate solution," Singh says. "We view them as our business partner. They know our growth plans, our product and IT strategies, and they've demonstrated they can bring the right solution to us at a cost we can afford. Their expertise has been invaluable for us."

Protek is currently helping TSC in its plans to bring the printing of advertising flyer and point-of-purchase materials in-house. "We're looking to HP for high quality, high definition printers," Singh says. "Doing this kind of printing ourselves will give us faster response times and more flexibility."

The new printers will complement 10 HP printers currently serving the company, ranging from LaserJet 9000 series to " 130 series models. "We're simplifying our printing and copying into one consolidated multifunction device from HP, the Laser Jet 4345mfp," notes Singh. "We're impressed by its reliability and ease of use. It's another example of where Protek Systems has shown us a cost-efficient option that's a good fit for us."

The IT team's efforts and a loyal TSC customer base are supporting the store's fast growth.

"We are a niche retailer with more than 30 stores in Ontario looking to transform ourselves to be a national mid-size retailer over time," Singh sums up. "We need good partners to get there, and we've found two of them in HP and Protek."

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To learn more about TSC Stores, visit [www.tscstores.com](http://www.tscstores.com)

To learn more about Protek Systems, visit [www.proteksystems.com](http://www.proteksystems.com)

To learn more, visit [www.hp.ca](http://www.hp.ca)

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