



Customer Success Story

Home Depot

<http://www.homedepot.com/>

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10000 or more Employees/Students

[Retail Industry](#)

[Home Depot remodels its business](#)

"The IBM pSeries servers provide the best of both worlds in terms of raw horsepower and scalability because they effectively marry symmetrical processing (SMP) and massively parallel processing technologies."

--Kevin Murphy, vice president, Information Management, The Home Depot

Overview

The Challenge - Undertake a business transformation to streamline operations, enhance customer service and deliver a sustainable competitive advantage

The Solution - Enterprise data warehouse built with IBM [eServer](#) pSeries systems, DB2 EEE, and integration and consulting services from IBM Global Services

The Benefit - A scalable, high-performance data warehouse that enables The Home Depot to gather and analyze information more effectively and leverage it to provide superior customer service

Drawing up the blueprints

The Home Depot® is the world's largest home improvement specialty retailer with fiscal 2001 sales of \$53.6 billion. The company employs approximately 296,000 associates and has 1,453 stores in the United States, Puerto Rico, Canada and Mexico. Home Depot has built a solid reputation for providing the very best in customer service. In recent years, however, intense competition coupled with outdated information systems and manual processes in key business areas were making it difficult to sustain the level of service that had propelled Home Depot to the number one spot. The company needed to overhaul its merchandising, marketing, financing, supply chain and customer service operations to improve customer satisfaction.

To address this critical need, senior management has launched a major reengineering of Home Depot's business processes and technology infrastructure. At the heart of the initiative is an enterprise data warehouse that comprises IBM eServer pSeries™ servers, DB2 Universal Database™ Extended Enterprise Edition (DB2 EEE) database software and consulting and integration services from IBM Global Services.

Building the foundation

Over the years, Home Depot had accumulated a wealth of information on sales, products, services, store performance and customer buying patterns. The information, however, was stored on operations-oriented legacy systems and was not readily accessible. The retailer wanted to perform more timely analysis of buying patterns to better predict needs and provide the right assortment of goods and services for each set of customers.

The information services staff evaluated offerings from the leading providers of data warehousing solutions for retailers, including NCR, the incumbent point-of-sale vendor. The IBM solution quickly emerged as the optimum choice for Home Depot. Driving factors in the decision included the scalability and openness of the IBM solution.

"When clustered, the SMP pSeries servers transform into a massively parallel processing environment. I see no limit to the scalability they can deliver." The pSeries hardware is giving Home Depot mainframe-class performance, availability and system management for its mission-critical, data-intensive applications while providing a substantially lower total cost of ownership than competing solutions.

IBM's flexible pay-as-you-grow approach to hardware expansion was also an important factor in Home Depot's decision. This will enable Home Depot to add servers as needed to meet their expanding business needs. Moreover, IBM was the only vendor that could provide a total solution combining hardware, software and services.

Adding the structure

Home Depot's business transformation involves several key business areas, with an initial focus on human resources (HR). The company will leverage the data warehouse to track employee retention rates and assess managers' performance. "The data warehouse will also play a key role in addressing our merchandising strategy," Murphy said. "It will provide the information our executives need to deliver the right merchandise to each store, basing their decisions on local demographic data and customer buying patterns. And it will provide an integrated, 360-degree view of performance across the enterprise. A related CRM application will pinpoint customer buying patterns and match individual customers with targeted marketing programs."

Reaping the rewards

The goal of this initiative, which will run in the tens of millions of dollars, is to upgrade and integrate Home Depot's internal processes to improve customer service, strengthen its supply chain and give employees needed technology tools. "The new data-warehousing capability will significantly improve our ability to rapidly analyze the elements of success in all parts of our business and do a much more effective job of forecasting and planning," said Home Depot chairman, president and CEO Robert Nardelli. "This is the kind of technology Home Depot needs to help make decisions that will keep us in the forefront of our industry."

For more information, please visit:

ibm.com/eserver/pseries

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Associated Links

- [Customer Relationship Management](#)
- [DB2 Universal Database](#)
- [IBM Global Services](#)

- [pSeries Servers](#)
- [Supply Chain Management](#)