

NOLTS AUTO PARTS

Nolts challenge was to expand their business without incurring excessive system upgrade cost. The Nexpart® Distribution Management system helped them meet their goal, expanding from 3 stores in 2000 to 8 by 2003.



History:

It wasn't too long ago that Nolts Factory Warehouse headquartered in Ephrata, PA was just 3 stores in rural southeastern Pennsylvania. In 2000, Jim Miller the General Manager, saw the opportunity to expand the business. Until then the business had been running pretty smoothly on an Activant Eclipse, character based system, but the pressure of adding more stores while keeping operational cost down spurred the company to look at various system alternatives. The challenge was to support the data processing requirements of running multiple stores without overburdening costs and at the same time upgrading the functionality.

Challenge:

Much of their investigation centered on finding a state of the art solution that was going to allow them to grow their store count with a minimal startup investment. The new system would need to have the ability to tie all the stores together seamlessly and cost effectively. They had had enough with proprietary hardware and software when a storm had knocked out much of their hardware, software and communications gear, requiring almost 4 months to repair. Their new system had to run on generally available non-proprietary hardware and software. It also needed to operate using the Internet. Dedicated point to

point communication lines had become burdensome, to the point that their cost (about \$800 per month) became a key factor in closing one of their stores. This has been the only store closed in the history of the company.

NDM Solution:

Nolts selected the Nexpart Distribution Management system from WHI because it satisfied their desire to have a system capable of taking them into the 21st century. According to Jim Dugan the following were key to the decision:

- **The only truly modern** system on the market. "the Nexpart Distribution Management system was the only one that had what we considered to be a forward thinking approach."
- **Never worry about Growing** your business. "We just go out and buy new PC's and the necessary hardware to connect them in through the Internet." When we bought three new stores it was just a matter of buying the PC's, hooking up to the communication line, and with the data conversion WHI did we were online."
- **Better information and** interface equals more sales. "The fact that the software is

OWNER'S OBJECTIVES:

- Find a state of the art solution that was going to allow them to grow.
- Reduce communication cost.

RESULTS FOR OWNERS:

- Store growth from 3 in 2000 to 8 by 2003.
- Substantially reduced cost by moving from a dedicated communication system to a the Nexpart Distribution Management system.



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[Our Installers are] "100 times happier than with the old 'dial-in' legacy method..."

graphical rather than character based and connects through the internet, it has given our counter people a lot of information that helps them sell parts and take care of customers like never before. We can see how manufacturers are going to be supplying more and more information over the internet and we felt unless we had something that would be able to display it at POS, we would be losing ground in the future.

- **Remote data management SaaS** solution. "...this means we don't need to worry about a server, they take care of it. We wondered how this would work out but it has been great because when we add stores we don't have to worry about a server upgrade, WHI takes care of it. Plus, I never need to worry about backups or catalog updates anymore; icarz handles it all".

Communication Reliability:

All of Nolts sites are connected through the Internet to the WHI data center via 'broadband' connections. The 8 stores are split equally between DSL and Cable solutions. Reliability was a concern at the outset but Jim concedes, "Actually we have had little or no down time and in fact

it has been more reliable than our old dedicated lines". In the event a line does go down Nolts uses dial up lines as a failsafe.

Communication Cost Savings:

The cost savings have been significant. Nolts was paying between \$250 to \$800 in communication cost for their dedicated lines. Cable and DSL cost per store currently range from \$29 to \$150 per month. Those savings have made a big difference to their bottom line.

Maintaining Market Share:

Jim Miller could see what was happening with the larger players like NAPA and Carquest as they moved to capture market share by tying their customers into them.

The Nexpart Distribution Management system offered something that his Eclipse system couldn't, and integrated eCommerce solution. Since putting their customers on line they have realized some significant benefits. It is easy. "We don't have to worry about dedicated equipment, phone lines, or dropped calls and business is increasing as more and more of our customers have access to PC's and Internet access" says Jim Dugan. Further Dugan says "The folks that are using it are giving us more of their business because it is so easy to use. They're 100 times happier than with the old 'dial-in' legacy method and with electronic cataloging they go in through our eCommerce site with the application any time and in seconds what they ordered is printed as a ticket at our store. The part is delivered, their happy and we have saved a counter person the time it would normally take to do it. Usage is

increasing each month." He also says now he is in a position to get business from entities such as state and local governments and large fleets which require ecommerce capabilities to be considered a supplier.

Communication Advantages:

Sourcing is not just for his customers. He has found that by giving his counter people access to some of his sourcing warehouses they are able to deliver information to their customers instantaneously. For example, recently they have been able to link into all the MAWDI warehouses in the Northeast through an Internet link enabled by WHI. With one query they can see if the part is in their normal stocking warehouse or any of the 15 other warehouses. This reduces lost sales experienced by having to call 15 warehouses and then call back the installer. With another click the part can be ordered and on the truck for next day delivery. The customer gets the part and Nolts saves the time normally associated with sourcing it. All this adds up to reduced overhead and happier customers.

Summary:

The Nolt brothers, Irwin and Henry have entrusted the continued success of the business with Jim Miller, and Jim has entrusted Nexpart Distribution Management as the system which will allow Nolts its continued growth. Nolts and the Nexpart Distribution Management system are poised to continue competing with the big players in the market for years to come.

No other system on the market allows for such rapid growth with minimal investment.