Winning ways at Woolworth

by Rick Lawson
Retail Technologies Corporation

"It was the largest POS project I'd ever been associated with and, in fact, the largest integrated IBM 4680 POS hardware roll-out in Canadian history," said Bob Hughes, IBM Account Executive.

You don't get to be a multi-billion dollar retailer by doing things in a small way. So when Woolworth-Canada, Inc., a division of Woolworth Corporation, decided that upgrading their point-of-sale system would give them a competitive advantage, they went all out. In the first ten months of 1992, over 2900 registers comprised of IBM 4680 hardware, Retail Technologies Corporation (RTC) POS software, and Woolworth Corporation in-store software were installed in 150 stores.

This prodigious task would not have been possible without exceptional teamwork and project management. The logistics involved were mind boggling; coordinate a national rollout of over $25 million of hardware, software and services to sites that ranged from French Quebec, to the remote city of Yellowknife near the Arctic Circle, to urban stores with over 35 registers per store, and do it all by the end of the third quarter 1992.

But the benefits of the project far outweighed the difficulty of implementation. In 1991, Canada had enacted a value added tax (GST). This new tax required changes in price and tax management methods for all retailers. Woolco, a leading Canadian retailer, seized the opportunity to not only incorporate GST into their POS system but to revamp the entire system. Their goal was to select a hardware platform that had a proven track record and to select software that would provide advanced functionality.

Phil Richards, Vice President of MIS for Woolworth Corporation, explained, "By implementing price management, scanning, and inventory control, our objective was to reduce store operating costs and increase profitability."

Woolco

The hardware choice was the IBM 4680 system. Woolworth had installed the 4680 in a variety of their U.S. chains. Its performance had been solid and reliable. Like many of the world's largest retailers, Woolworth recognized the importance of IBM 4680 features such as controller redundancy, integrated hardware and multi-tasking operating system.

The software choice was RTC's Retailwerks POS application. Retailwerks, running under the IBM 4680 Operating System, provides scanning, price lookup, "prices off," credit authorization, split currency tendering, and multiple discounts by line items.

Responding to Woolco requirements, RTC added layaway, advanced currency conversion, French language support with multiple language capability, GST value added tax, and VICS standards support.

Under the direction of Woolworth Corporation Operations and MIS staff, in Canada and the U.S., the international team consisting of Woolworth Corporation, IBM, and RTC mapped out an action plan.

Woolco Canada became a hotbed of activity. The international Woolworth team began developing and finalizing software specifications, site preparation for 150 stores, testing delivered software, training support and store personnel, supervising installations, and supporting stores going operational during rollout. "Continual input from all business areas including store operations, help desk, field and corporate management was crucial to keeping everything on track," said Mike Sweet, POS Project Manager for Woolworth.

In order to meet the hardware rollout requirements, IBM utilized their unique talents in logistics, manufacturing, hardware implementation services, and on-site store support. "IBM Canada responded with an incredible logistical effort that included coordinating manufacturing and parts distribution delivery from around the world. Further, IBM Canada provided site preparation and hardware installation services across the entire country almost simultaneously," said Bob Hughes, IBM Canada Account Executive.

In order to meet the aggressive software development schedule, RTC worked to enhance existing code to comply with Woolco-specific business practices, developing new modules, testing and quality assuring all software, releasing software according to strict customer deadlines, and providing on-site support, when required, throughout the project. "Our operations staff is very satisfied not only with the work RTC has provided, but also with their quick response to resolving any issues," said Neil Kinney, Store Systems Manager — General Merchandise, Woolworth-Canada.

In the end, one of the largest POS projects in Canadian history was a resounding success. The commitment to long term partnerships by Woolworth, IBM, and RTC was a critical factor. With a solid POS foundation to build on, the team is now focused on enhancements and refinements to the system.

Retail Technologies Corporation is an IBM Authorized Industry Application Specialist.