

TOP TO BOTTOM

we know

they know

END TO END

Home Depot refurbishes its business with IBM and SAP

The Home Depot, Inc. (www.homedepot.com, Home Depot) is the world's largest home improvement retailer, the second largest retailer in the United States and the third largest retailer on a global basis, with fiscal 2003 sales of \$64.8 billion.

Founded in 1978 in Atlanta, Georgia, Home Depot operates more than 1,700 stores across Canada, Mexico, Puerto Rico and The United States of America, employing more than 300,000 people. Home Depot stores carry up to 35,000 different kinds of building materials, lawn and garden products, flooring, lighting, plumbing and landscape supplies. The Home Depot also has two sourcing offices in China.

Keeping up with growth

Cliff Gum, Senior Manager at The Home Depot, remarks: "We are still a young company, and our extremely rapid growth has outpaced our information systems. Specifically, financial reporting had not kept up with the rise in transaction volumes, and business reporting from the stores and at group level needed to improve."

"Home Depot had multiple different best-of-breed information systems, often modified from location to

location. These were early days, and Home Depot was changing the way retailers were looking at data as a source of retail insight. People were using many different interfaces to download and store data, manipulating figures in spreadsheets, with no central store of information. Our goal was to consolidate our financial information into one place."

Laying healthy foundations

To meet reporting demands, Home Depot chose SAP R/3 as its enterprise-wide business information system, implementing core financial modules (FI, FI-AA, CO, TR, PS and some MM), Retail and Distribution modules, Business Warehouse (BW) and the specialist Strategic Enterprise Management (SEM) modules Business Planning System (BPS) and Business Consolidation System (BCS).

Selecting SAP

"We selected SAP because it is an industry-recognized product, particularly in the financial area, and it seemed a natural fit," remarks Cliff Gum. "Our operations in Argentina already had some SAP experience, so we knew the kind of benefits that we could look forward to."

Overview

■ The Challenge

Eliminate multiple, customized systems and spreadsheet modeling; Centralize financials and business information system; Provide fast and accurate month-end close figures for reporting

■ The Solution

Industry: Retail
Application: SAP® R/3® Enterprise, SAP® Business Warehouse, SAP® Strategic Enterprise Management solutions
Hardware: IBM @server® zSeries™ Model 900, nine IBM @server® pSeries™ Model 670 servers
Software: z/OS®, AIX®, DB2® Universal Database for z/OS, Tivoli® Storage Manager
Services: IBM Business Consulting Services, IBM Global Services

■ The Benefits

Single view of financial performance, store-by-store and enterprise-wide; Consistent standards for information management; High-availability solution for global business support



With operations in multiple time zones, it was crucial for Home Depot to ensure the best possible levels of availability for its new centralized information management systems. The company therefore selected IBM **@server** zSeries 900 running IBM DB2 UDB for z/OS as the database server for SAP, as Cliff Gum explains: "From a strategic point of view, we wanted a highly available and highly scalable online transactional system, and the obvious answer was the IBM mainframe. We have considerable in-house experience of IBM zSeries, and we expect that the stability of the system will keep our total cost of ownership low."

Choosing the best groundwork

For the SAP application serving platform, Home Depot selected nine IBM**@server** pSeries 650 servers running IBM AIX version 5.2. Cliff Gum remarks, "Home Depot has a very good relationship with IBM on many projects, and we have always been happy with the pSeries architecture. pSeries offers great reliability, performance and scalable capacity, and of course it made business sense to source the entire hardware infrastructure from a single vendor, IBM."

"With IBM technologies and SAP, Home Depot is taking a giant step forwards. We already have better management information, a clearer view of our business, and a flexible IT infrastructure that positions Home Depot for real business advantage."

Cliff Gum, Senior Manager, Home Depot

Building the business benefits

Home Depot's SAP R/3 implementation has replaced all but a few specialized financial applications. The organization is now working with both IBM Global Services and SAP consultants to develop its enterprise-wide information capabilities, which will help fine-tune operations, cut costs and boost efficiency.

After just two months of operations, the R/3 system holds around 250GB of data, the BW around 400GB, all managed by IBM Tivoli Storage Manager. "The data volume is growing by tens of gigabytes per week," says Cliff Gum, "and we are anticipating more than a terabyte in total data by the end of the first year. Tivoli makes managing very large volumes of data simple and cost-effective."

"We are still in the early stages of our SAP implementation, and the business is really excited about the possibilities that are already opening up. Moving from multiple disparate systems to a single, consistent solution that follows industry best-practice will produce significant business benefits. With a single view across all operations delivered by our SAP solutions, we anticipate improvements in the speed and accuracy of reporting, further enhancements to our cost-efficiency, and ultimately, improved customer service."

"With IBM technologies and SAP, Home Depot is taking a giant step forwards. We already have better management information, a clearer view of our business, and a flexible IT infrastructure that positions Home Depot for real business advantage," concludes Cliff Gum.

„With a single view across all operations delivered by our SAP solutions, we anticipate improvements in the speed and accuracy of reporting, further enhancements to our cost-efficiency, and ultimately, improved customer service.“

Cliff Gum, Senior Manager, Home Depot



IBM Deutschland GmbH
D-70548 Stuttgart
ibm-sap.com

IBM, the IBM logo, the On Demand Business logo, e-business on demand and ibm.com, AIX, DB2, **@server**, pSeries, Tivoli, z/OS und zSeries are trademarks of International Business Machines Corporation in the United States, other countries, or both.

Other company, product and service names may be trademarks, or service marks of others.

This case study illustrates how one IBM customer uses IBM and/or IBM Business Partner technologies/services. Many factors have contributed to the results and benefits described. IBM does not guarantee comparable results. All information contained herein was provided by the featured customer and/or IBM Business Partner. IBM does not attest to its accuracy.

© Copyright IBM Corporation 2004
All rights reserved.



© Copyright 2004 SAP AG
SAP AG
Neurottstraße 16
D-69190 Walldorf

SAP, the SAP logo, mySAP and all other SAP products and services mentioned herein are trademarks or registered trademarks of SAP AG in Germany and several other countries.