



Datatec and Lowe's Home Improvement a **Model of Customer Intimacy**



Just about any Cisco partner will tell you that successful customer relationships are a two-way street: working together as a team for a common goal. Datatec Systems and its customer Lowe's Home Improvement helped each other focus on core business strengths and bring Datatec's idea of customer intimacy to a whole new level. As a result of its experiences in helping Lowe's meet aggressive schedules in opening new warehouse stores; Datatec learned the value of developing relationships with all key players in the 'ecosystem' of a large network deployment. The firm also established unique "staging centers" and developed deployment tools that have been huge factors in attracting new business, developing an even more synergistic relationship with Cisco, and achieving excellent results for new customers.

Lowe's Store Operations Needed Help From Their MIS Team to Fuel Growth

Lowe's, the 15th largest retailer in the U.S., operates a chain of home improvement stores. In the midst of a \$2 billion expansion plan, the most aggressive in the company's history, the responsibility fell on the shoulders of the Lowe's MIS team to "Turn on" an average of one new warehouse-size superstore each week with the necessary voice and data systems to support customer sales and store operations.

In the mid-nineties, a typical Lowe's store was 45,000 square feet. A few key people labored long and hard to ensure enough of the right equipment was available to be installed at a new store and then make sure it was functioning properly. Equipment for new stores was stacked in warehouses deployed through internal channels with very little system level staging, integration, testing services and distributed along with other store operational supplies. But with the selling space in the company's new superstores exceeding 135,000 square feet, it was critical for Lowe's MIS team to build a process and capabilities for integration and deployment for the new stores.

"Our earlier stores had only a few PCs and a RISC processor," said Mike Elmore, Vice President of Lowe's MIS Team. "But our new superstores needed Cisco System network connectivity, scanning gear, an average of 22 point of sale registers, a wireless LAN for receiving products and price look-up, inventory management and design systems for home remodeling projects that tie in with our merchandising and logistics program."

The larger and more technologically enabled warehouse stores necessitated the creation of methods to allow MIS to effectively support the corporate growth strategy.

“We really started looking at how to build a process and capability for integration and deployment,” said Elmore. “We started changing our relationship with Datatec from a purchase order basis to the customer intimacy model Datatec was espousing.”

While Partner Looks For Ways to Connect an ‘Ecosystem’ of Players

Datatec Systems, a Cisco partner focused solely on the deployment and implementation of networking and computing based technologies on an ‘absorption engineering’ basis, always had a customer-centric method to its business. But the company saw a need to do more. In its approach to the market and its customers, Datatec was looking for ways to play within an ‘ecosystem,’ engaging with the OEMs, service providers and other players involved in customer’s solution.

“A key to Cisco’s success is the collaboration of our partners within the marketplace. Datatec’s cooperative relationship with other partners is an excellent example of how our customers can be provided with a total services solution,” said Jim Hamilton, Director of Channels Professional Services at Cisco Systems. “By supporting real customer intimacy, we were looking to participate with a more open mind,” said Rick Bellerjeau, Director of Strategic Alliances for Datatec Systems. “Newer systems are more complex, therefore there are more complex relationships with the number of players involved. To us, customer intimacy is understanding the client needs and concerns, and also the needs and concerns of the other players in the solution such as OEMs, service firms and service providers. It’s a very big commitment!”

By focusing on the specific needs and concerns of Datatec and Lowe’s, each became very aware of the strength and focus of each organization.

“Lowe’s realized what was core to their business was opening these warehouse stores faster, said Jim Haskins, Vice President of Enterprise Sales for Datatec Systems. “And they helped us realize that what is core to Datatec is our ability to handle the configuration, integration and staging of the equipment needed for the new stores.”

Works Closely With Cisco to Develop New Tools

As a result of its renewed focus on customer intimacy and the specific needs of Lowe’s, Datatec looked for ways to eliminate tasks from the field and bring them into a central location so it could have a complete store brought up online and tested before onsite deployment.

“We looked at the obstacles Lowe’s faced, and recognized that we could invest ourselves in bringing about a better result, and it could be applied to other customer solutions as well,” said Haskins.

Datatec brought to this effort its IW200 tool suite, which provides mass customization and integration for any device manufactured by Cisco and it provided to be very helpful. Additionally, Datatec recognized the absence of partner collaboration technology focused on deployment, and so developed eDeploy, software that provides ubiquitous, web-based access to deployment-related information. With eDeploy, all participants in a large deployment, from the channel partner to the vendor and customer organizations, are assured everyone is on the same page as the project moves forward. Since its introduction,



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Vice President of Enterprise Sales
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some companies competitive with Datatec have purchased eDeploy in the interest of developing a standard among the parties involved in these complex deployments.

“We have leveraged our experience with Cisco to establish ourselves with service providers, system integrators and professional services firms,” said Bellerjeau.

Launches Rapid Deployment Solution Centers

The idea for Datatec’s staging and integration facility was born out of Lowe’s needs for quick deployment to meet the corporation’s aggressive schedule of opening superstores.

“The company didn’t have a need for this kind of staging effort before,” said Elmore. “The stores weren’t that big, the technology was not terribly sophisticated and we weren’t opening that many new stores.” That all changed when the corporation began transforming from the small stores to the large warehouse store format and launched its aggressive expansion plan. The staging facility put in place by Datatec will enable Lowe’s to open 115 warehouse-size stores in 2001, and Elmore notes that Datatec’s staging center is the key factor in the 3-week reduction in computing and phone system time needed for new store systems.

“We’ve got new store system sets from eight weeks down to five weeks, which is an incredible accomplishment,” said Elmore. “And no store has opened late because of equipment not being installed or not functioning properly. By working with Datatec and running everything through its staging and integration facility, we’ve got our store openings down to a bullet-proof process.” Elmore notes that because of the staging center, certain build functions that occur in the stores have gone from 10 hours down to two hours. “Without Datatec’s integration facility, it would be difficult for Lowe’s MIS team to support the increased number of store openings,” said Elmore. Because the equipment associated with the Lowe’s deployments are nearly always tested before it leaves the Datatec staging area, it’s a streamlined and simple process to install the new equipment, do a quick onsite test, cut it over, and begin store operations.



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The tools, integration facility and processes built by Datatec in no way are limited to Lowe's needs. The firm very much leverages what it's built around the Lowe's processes. "There's a repeatability to what we do," said Haskins. "The processes we put together for Lowe's scale to different customers and help us with large deals we're doing with Cisco. It's very much a repeatable customer intimacy model."

Datatec now has several configuration/integration/staging facilities called Rapid Deployment Solution Centers. The center used for Lowe's deployments is located in Statesville, NC and is also used by Datatec customers First Union, SouthTrust, BellSouth.net and other clients. The Rapid Deployment Solution Centers are capable of staging deployment for servers, workstations, PBX's and Point of Sale Systems, and handle everything from Cisco small routers and switches to GSR, Optical, IP Telephony, wireless and other equipment.

Success is All Around

Elmore strongly supports Datatec's customer intimacy approach and its investment in the Rapid Deployment Solution Centers.

"Datatec's customer intimacy model adds value to my department and to Lowe's," he said. He notes that he finds a real void in the staging and deployment industry for midsize and large companies.

"I wanted an integration and deployment firm that was strong, stable and big enough that I could count on it being around for awhile," he says of his choice to work with Datatec on Lowe's aggressive superstore openings. While working with small companies is part of Lowe's heritage, the company has found small businesses can't always meet its needs. Conversely, large, corporate businesses providing similar services often don't provide the customer intimacy and dedicated teams with which to work, particularly notes Elmore, in the configuration/staging/deployment segment of their business. Elmore feels strongly that Datatec is filling an enormous need.

Having taken customer intimacy to a new level, today when Datatec works with a client, it is also engaged with, for instance, Verizon, IBM, and MCI discussing Cisco technology and how to work with everyone's strengths and business goals.

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“Our customer intimacy model moved us not only into new markets, it has taught us how to relate to customers so as to gain maximum share of that customer’s business, and also to gain higher margins as a result of customer intimacy-based value add selling strategy,” notes Bellerjeau.

Datatec’s synergistic relationship with Cisco helps it grab more market share faster and Cisco customers benefit by gaining use of the technology sooner, and reducing their return on investment as a result.

Datatec’s commitment to customer intimacy differentiates it from competitors, provides unique value to Cisco, which has won business as a result, and has made true believers out of customers like Lowe’s.

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