

Staying on Top

Farm equipment dealer Huron Tractor plants the seeds of its e-future with an innovative IBM® solution from PFW Systems



Smart companies don't wait for the future to unfold, they build their own.

That's what Huron Tractor Ltd., an agricultural and grounds care equipment dealership in Canada's farm rich southwestern Ontario, started doing three years ago when it launched an in house Web-based parts ordering system built on its IBM @server™ iSeries™ server. Only a few of the company's mainly rural customers were ready for it at the time, but they were among its biggest and most important.

With five outlets, Huron Tractor is a large dealership selling equipment for the homesite, farmsite and worksite. "We are always striving to be better than our competition," says John Rudderham, Huron Tractor's Vice President and After Market Manager. "But the definition of better changes from day to day."

That means anticipating and being ready when it does – or better yet, shaping the definition. "We're trying to fundamentally change the habits of our farm customer," Mr. Rudderham says of the company's e-commerce strategy. "We're doing that by providing tools that will make it valuable for that customer to go to our Web site."

Last year, the company took it one step further by installing the new eServices suite of the PFW Dealership Management System from IBM Premier Business Partner PFW Systems Corporation of London, Ontario. Huron Tractor had been using the iSeries based PFW product as their dealership management system for many years. The new eServices suite lets customers check statements and transaction histories and receive invoices on the Web.

As a result of its market-leading e-commerce strategy, Huron Tractor is now starting to reap the benefits of major process efficiencies, increased customer loyalty and a clear competitive advantage over rivals.



“We always want to be better than any of our competition. But the definition of better changes from day to day.” – *John Rudderham, Vice President and After Market Manager, Huron Tractor Ltd.*

Making it easier for customers to do business

When Huron Tractor decided to build its own parts order system, nothing else was available at the time, and the company didn't want to wait to establish itself as the e-commerce market leader. The architecture of the native iSeries database made it easy for programmers to extract data and post it to the Web.

“That flexibility to build our own applications gives us more choice,” Mr. Rudderham says. “And we like that. In the past, IBM has been perceived as having closed, proprietary systems, but what attracts us today is its openness.

The IBM servers have also been incredibly reliable, he notes – with no unscheduled disruptions to service in almost 20 years.

The Web-based parts order system, which provides near real-time in stock status on 80,000 parts, generates about \$150,000 a year in sales. More important, though, are the process improvements it brings – both for Huron Tractor and its customers.

Time is money

One large customer made an average of three phone calls a week to order parts. Each took about 15 minutes. It's time Huron Tractor's highly trained parts desk staff no longer spend on the phone because the customer orders online now. Over a year, it adds up, Mr. Rudderham observes. And that's just the savings from one customer.

Online ordering also saves time and is more convenient for customers – and the savvy few appreciate it. “We've had customers tell us, ‘Your parts procurement system is the reason we buy more parts from you,’” Mr. Rudderham says.

Huron Tractor hopes smaller customers will start to use the system too. Most now

come to a retail outlet, knowing that 95 percent of the time the part they want will be in stock. But it's a poor use of their time, Mr. Rudderham notes.

If those customers ordered on the Web, staff would have more time to pick parts and have them packed and ready to go when the customer arrived. When more realize the value of doing it this way, Huron Tractor will be ready, Mr. Rudderham says.

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| IBM Business Partner: | PFW Systems Corporation |
| Solutions: | Management software for equipment distributors utilizing IBM @server iSeries, storage, software and peripherals |
| Territory: | North America |
| Customer Target: | Light and heavy industrial and agricultural equipment distributors |

The ultimate: a paperless process

Installing the PFW eServices suite took Huron Tractor to the next level of e-commerce sophistication. A true browser based application, it provides direct, real-time access to data on the iSeries server – versus the in house parts order application which relies on replicating databases overnight.

“What happened was that PFW came out with a tool that went further than the one we built,” Mr. Rudderham says.

It gives customers access to real-time account data and transaction histories stored in the PFW Dealership Management System. They can use the data to perform vital analysis on total cost of ownership.

“These customers are primarily looking for ways to reduce costs by figuring out which machine cost them the most,” Mr. Rudderham

explains. “They can do that now because our database gives them costs by machine.”

The eServices suite opens up other possibilities as well. When customers lose invoices and statements, they ask to have them reprinted, which takes time. eServices lets them regenerate the documents themselves on the Web.

“The more we automate routine processes like this, the easier it will be for the customer,” Mr. Rudderham says. “And I know we'll be able to do more work with less staff too.”

The ultimate goal is to eliminate hard-copy invoicing altogether. Huron Tractor generates 80,000 invoices a year. Copies of 60,000 must be attached to statements and filed. “That's the efficiency we're going after,” Mr. Rudderham says. “Eliminating all of that.” He admits it will take time.

IBM: open systems

But Huron Tractor knew it was building for the future when it started the process. It was worth taking the risk, in large part, Mr. Rudderham says, because the open architecture of the PFW system and iSeries servers made it feasible for the company to get started on its own.

Now, with the deployment of PFW's sophisticated eServices suite, the company has taken a clear market lead.

“Huron Tractor is doing the things with e-commerce that other dealers want to do but haven't yet,” says Jenna Morton, eServices Product Manager at PFW Systems. “They're setting the standard in this industry.”

Which is exactly what Huron Tractor wanted – not to wait passively for the e-future to unfold, but to help make it happen.

For additional information on how **PFW Systems Corporation** can help your organization, contact us at **519-474-3300 ext. 230**, or visit our Web site at **www.pfw.com**

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