

Grocer Case Study: Pro & Sons Ranch Market

Stores and HQ networked with StoreNext Connected Services

Pro & Son's Ranch Markets Inc. is a seven-store independent grocer headquartered in Ontario, Calif., about 45 miles east of Los Angeles. The company began in 1982 as Southland Market, a single-store operation under the watchful eye of founder Mike Provenzano, Sr.

Ten years later, the patriarch partnered with son Michael to create a Hispanic store concept that would cater to the changing demographics of the community.

According to CIO Jeff Provenzano, their previous system had outlived its usefulness as a management tool. The primary culprit was the difficulty department managers had in accessing daily and weekly reports that were critical to efficient store operations, especially when those managers were traveling.

Taking store management online

That's when Pro & Son's turned to StoreNext Retail Technologies LLC for its ISS45 POS system coupled with Connected Services™ — a full suite of Internet-based applications that gives independent grocers and small chains easy, online access to robust data center applications that were previously available or affordable only to major chains.

Provenzano said that once all the front ends were ready, it was “only a matter of flipping the switch” to activate the company's first hosted application, StoreNext's Connected Store Analytics and Reporting. “We went live literally overnight with the first two stores and completed the rest shortly thereafter.”

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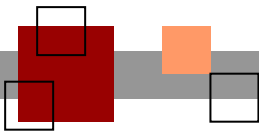
About Pro & Sons

- Headquarters: Ontario, CA
- Area of Operations: Los Angeles, CA; Bakersfield, CA; and Pheonix, AZ.
- Number of Locations: 7 stores operating, 3 under construction
- Web site: www.prosranch.com
- Focus: Fresh and authentic Hispanic foods in a festive environment



Their goal was to give Hispanic customers a variety of fresh, authentic foods and brands they knew and enjoyed in a warm, clean and colorful environment. As a result, “The Ranch” was born, a full-service supermarket averaging about 45,000 sq. ft. per store with 15 to 25 register lanes in each location. Not long thereafter, Mike's sons Steve, Rick and Jeff joined the team, with each handling a different aspect of the growing operation.

When the company moved to open its first concept store in Phoenix, they were also looking to implement an entirely new point-of-sale (POS) platform across the regional chain, which now spans from Southern California to Bakersfield in the north and to the east in Phoenix.



Connected Store Analytics and Reporting consists of four connected modules within a single application, including:

- **Report Viewer** – operates on StoreNext’s ISS45 software or the ScanMaster platform, and lets grocers review key store-produced reports any time via the Web.
- **Reporting System** – browser-based analyzer operates on ISS45 and ScanMaster to present information from single stores or chain-wide in modern GUI format and lets grocers query consolidated store and/or chain data.
- **Sales Analysis** – operates on ISS45 as an extension to Reporting module; further analyzing sales down to the item level, including cost and gross margins.
- **Electronic Journal** – collects the store’s ISS45 transaction log data and consolidates it into a constructed database to allow faster and easier querying of the data to locate specific transactions/tickets.

“The beauty of the system now is that data is pulled directly from the POS to the StoreNext Connected Service host,” said Provenzano. “That eliminates the need for a back office system at each store. And our management team, which travels extensively, now only needs an Internet connection to access individual or consolidated store data any time and any where.”

Provenzano said that this ease of access enhances the value of the data as a competitive management tool. “Headquarters now has hourly visibility across the chain, if we so choose, to the top 25 items in each department,” he said. Over the next several months, that capability will be provided to each store manager for their individual locations.

Provenzano said that compared to the initial investment for their previous POS system, ISS45 was about \$300,000 less when multiplied over the 130-register chain. “By moving to Connected Services, we also eliminated about \$25,000 per store in back-office server costs, about \$60,000 to \$70,000 in the central server system, and avoided the cost of hiring three new IT personnel to manage and maintain our database systems, operating systems, hardware and software applications,” he said.

“The ability to ‘pay as you go’ based on the scope of applications you require represents an absolute fraction of our previous costs.”

What’s Ahead

Over the next six to 12 months, Provenzano said the chain plans to rollout two more connected applications – StoreNext’s Connected Item Hosting, which enable grocers to manage their entire item file including pricing and promotions, from a centralized location; and Connected ShrinkTrax®, a proactive loss-prevention solution that helps identify and modify behaviors of fraudulent or inefficient cashiers.

Within the next year, Pro & Son’s plans to implement StoreNext’s Connected Direct Store Delivery – automating a grocer’s direct store delivery and receiving functions without the need for a back-office system – and a scale management application currently under development.

“We’re very excited about what we’ve achieved to date and expect to gain even more significant ROI from what’s ahead,” Provenzano concluded.

StoreNext Retail Technologies LLC
1821 Walden Office Square
Suite 220
Schaumburg, IL 60173
800.340.4425
www.StoreNext.com

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