



Northern Tool + Equipment

A retail company leverages Lexmark's Print and Digital Signage solution to speed sign installation and free employees from manual signage tasks

Sorting and installing store signage

Headquartered in Burnsville, Minnesota, Northern Tool + Equipment (known as Northern Tool) was founded by Donald Kotula. As a teenager, Kotula started his own business refurbishing and selling hydraulics. After a stint with a heavy equipment dealer, Kotula returned to his entrepreneurial roots and set up shop in his garage selling cylinders and valves. He opened his first store in 1981 and as business grew it became Northern Tool in 1998.

Today, Northern Tool has 106 retail locations across 21 states, and employs 1,500 retail and 350 corporate employees. The company offers thousands of items including power and hand tools, generators, parts, safety equipment and hydraulics.

Given the large number of SKUs that Northern Tool carries, creating and maintaining in-store signing was an ongoing challenge for store personnel. When the company increased its direct mail presence, there was even more pressure on employees to ensure the correct signage was in place to support its advertising efforts. Signage was sent to the retail stores weekly in about 30 random batches, and it would take a full day or more to sort the signage and set it in place, while making sure every sign accurately reflected the sale item.

According to Steve Spears, Director of Retail Merchandising and Marketing at Northern Tool, the amount of time it took to install signage was burdensome for employees. "It was taking a long time to set the signs, which was a big drain on productivity in the store," says Spears. "It became a task that employees would dread, rather than being excited to promote items to our customers."

Optimizing signage processes

The company knew the time had come to explore solutions that would ease the burden of signage installation while delivering a more positive in-store experience for customers. After researching options, Northern Tool chose Lexmark's Print and Digital Signage solution. The main component of this solution is Lexmark's Publishing Platform for Retail which includes Publishing Manager, In-Store Publisher, Designer and Business Intelligence.

Here's how it works: Northern Tool uses Publishing Manager at its home office to create a sign batch for a given promotion. An employee then logs onto In-Store Publisher using a store computer, downloads the batch and prints the signs on a store printer. Users can also print a manifest several days before the ad begins to walk the show floor in the order of signage installation and adjust as needed prior to the promotional event. Best of all, employees no longer have to perform the time-consuming task of sorting through multiple batches of random signs.

"Every store had a different process of executing the process. On the average it was taking anywhere from eight to 12 hours just to get all the signs put up for each ad," says Spears. "When we switched to the Lexmark solution, we reduced that to about two hours."

Easily print a variety of signs

Publishing Platform for Retail gives Northern Tool the flexibility to print a variety of signs for its stores, depending on the what promotions are running. The stores primarily use 3-by-5 and 7-by-11-inch signs. Sale item signage are printed on a specific type of card stock, and a different stock is used for discontinued items.

Regardless of size or stock, sign printing is initiated by users from a Personal Digital Assistant (PDA) or mobile device. If an employee comes across an item that requires additional signage, they simply scan the item with their device and the sign immediately prints to the in-store printer without going to a computer and launching a separate application.

"The beauty is that's it's all done in one place," says Spears. "Our stores don't have to go to multiple solutions to get different signs created. All they do is load the paper into the printer, then scan the item or type in the item number. If the item is part of a promotion, they can easily print an extra sign if they need.

"They can print the signs quickly and get back to taking care of customers, which is where we want them spending most of their time," adds Spears.

Speeding shelf tag production

Along with printing a variety of store signs, Northern Tool is looking to Lexmark to simplify its shelf tag process. The company is testing the electronic shelf labels component of the signage solution with plans to roll it out across all stores in the chain. And like store signage, the shelf tag solution offers the speed and flexibility needed to react to frequently changing promotions.

Prior to using In-Store Publisher, an employee would stand at the kiosk and enter every shelf tag SKU along with the number of labels needed for each item.

Now, the home office downloads a sign batch using Publishing Manager in planogram order, and the employee prints the batch using In-Store Publisher. The entire planogram can be completed in a matter of seconds, saving users valuable time; plus signage is printed in the order it appear on the shelves.

Meet Northern Tool + Equipment

Headquartered in Burnsville, Minnesota, Northern Tool + Equipment is a family-owned company with retail, catalog and web channels. With 106 retail locations across 21 states and over 1,800 employees, Northern Tool serves serious DIYers, small-to-large businesses and other industries that rely on quality tools and services.

"It was taking eight to 12 hours to get all the signs put up for each ad. When we switched to the Lexmark solution, we reduced that to about two hours."

Steve Spears

Director of Retail Merchandising and Marketing
Northern Tool + Equipment

The shelf tag solution also supports pricing changes caused by recent fluctuations in tariff regulations, which increases the need to quickly adjust pricing and signage. Northern Tool quickly realized its previous solution was not able to keep up with tariff changes, while Lexmark's solution delivered the ultimate in flexibility and control.

"Before, we had about twenty to thirty price changes a week. With tariffs, we've gone to five to six hundred changes per week, which meant shelf tags were taking way too long to install," explains Spears.

If stores have different promotions, the solution will print tags in the correct order with localized pricing for each product. And if a store wants to offer a sale price on an item due to regional weather conditions—for example, a snow blower prior to a snow event in Wisconsin—it can easily print the signage right in the store without impacting the price at other locations.

"This is a huge win for us, not only for our stores, but for monthly line reviews where we review new products in different categories throughout the store," says Spears. "When pricing changes come down, having the tags sorted in order rather than trying to locate each item really speeds up the process."

Choosing the right partner

Northern Tool is committed to selling quality products and providing an exemplary level of service to its customers. In choosing Lexmark's Print and Digital Signage solutions, the company can better support these goals by significantly reducing the time employees spend printing and sorting signage. Plus, the solution has made a measurable impact on the bottom line.

"The conversion metric in our stores continues to improve month over month, and I believe a big part of that is because our employees are more available for our customers," says Spears.

While there are other signage platforms on the market, ease of use—along with flexibility, control and fast user adoption—sets Lexmark's Print and Digital Signage solution apart.

Northern Tool realized a 75 percent reduction in time spent installing signs, delivering an additional 33,000 hours annually for employees to assist customers.

"The sortation piece was for us, revolutionary," says Spears. "It has saved us a tremendous amount of time. It also helps keep employees more involved with customers because they not spending so much time putting up signs.

"I would absolutely recommend Lexmark because of their responsiveness and the ease of launching the tool," Spears adds. "It's easy for our folks to use and the learning curve was fast."