

RENTWAY ACHIEVES REAL-TIME DECISION MAKING WITH MODERNIZED POINT-OF-SALE SYSTEM DEVELOPED WITH SUMMA

COMPANY PROFILE

- Founded in 1981, headquartered in Erie, PA
- 2004 Fiscal year revenues of over \$500 million; publicly traded (Symbol: RWY)
- Over 770 stores in 34 states; one of America's largest rent-to-own companies
- Rents consumer electronics, appliances, computers and furniture to customers who have limited access to traditional credit sources

ABOUT RENTWAY

Founded in 1981, RentWay® has grown from a single store to one of America's leading rent-to-own companies, with more than 770 stores in 34 states. A member of the New York Stock Exchange (symbol: RWY), RentWay had revenues of over \$500 million in fiscal year 2004. Headquartered in Erie, PA, the company rents consumer electronics, appliances, computers and furniture to customers who have limited access to traditional credit sources.

RentWay is proud of its dedication to its community, customers and employees, as well as the recognition it receives, which includes:

- Economic Development Corporation of Erie County Employer of the Year 1999
- United Way of Erie County Diversity Achievement Award 2002
- RentWay employee Ronnie Williams named Association of Progressive Rental Organizations (APRO) 2002 Rental-Purchase Employee of the Year
- Founder and CEO Bill Morgenstern profiled as one of *Training* magazine's "Movers and Shakers" 2002

RentWay was also very proud of the point-of-sale (POS) and business intelligence system, called "RIVETS" (RentWay's Innovative Electronic Tools System), that it developed with in-house computer staff over five years ago; at the time, it was recognized as a leading-edge system in the rental industry. But the challenges that are typically faced by a fast-growing company caused RentWay to reconsider the business application that was a backbone of their success.

THE OPPORTUNITY

RIVETS was designed to work best as a distributed system which provided standard point-of-sale capabilities at the store level. This worked well, except that information aggregated at a corporate level was not available for a day or longer since each store only uploaded its data once — at the end of the business day. States RentWay Chief Information Officer, Jim Monson, "We didn't have good visibility across all stores with current information, since the data was always about one and a half days old."

This lack of real-time visibility hindered business decisions. As described by Monson, "Red leather couches could be selling like crazy in New Mexico but sitting in inventory in Boston. There was no easy way to know this, as each manager only had a view into their own store." Other problems were inherent, such as a lack of data warehousing and business-intelligence capabilities, and the fraud risk that customers with an inability to pay could go to multiple stores and rent items without the store manager's ability to determine that this problem was occurring.

Another set of challenges present in the first implementation of RIVETS was the cost, complexity and reliability of software and data distribution to and from store-based computers. With expansion and frequent changes to business logic, functionality and data necessary to adapt to changing business needs, the costs and problems with

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Jim Monson,
RentWay CIO

managing the widely distributed installation was increasing. With these challenges and the number of stores steadily increasing, RentWay knew that it was time for a change.

THE SOLUTION

After spending six months working with another IT services vendor without achieving satisfactory progress, RentWay asked its IBM® representative to recommend for a new solution and a new partner that would help the company develop a state-of-the-art POS and business intelligence system. Since this solution is the center of all critical company business operations, it was critical that both the technology and the IT partner rise to the challenge. IBM recommended its WebSphere® product line and Summa.

After several discussions, RentWay decided that the Summa and WebSphere combination was the right fit for its business needs. According to Monson, RentWay selected Summa based upon "the thoroughness of their proposal, the depth of knowledge that Summa possessed about the problem and the recognition that WebSphere is a core competency of the organization." This decision was made jointly by Monson's systems team and the operations team.

Summa quickly began to work with the RentWay team to design and build RIVETS' successor, called iRIVETS. RentWay went through an exploration phase that helped Summa understand their complex business process. It was also decided to keep the "look and feel" of the original application to reduce employee training.

The base architecture and technology changed dramatically. Replacing a decentralized Microsoft® client-server based system, Summa integrated a number of IBM technologies to create iRIVETS. The system's n-tier J2EE component-based architecture was designed for optimal performance, recognizing that RentWay's corporate office connects to its stores across the United States via a satellite-based network infrastructure from a consolidated centralized operations center.

The centralized solution is powered by an IBM eServer iSeries 870, WebSphere Application Server and DB2. The solution also integrates the POS system with RentWay's PeopleSoft Financials system, a third-party payment processing service and a number of other commercial and customized back office systems. To ensure long-term continued success of the solution, Summa also provided customized training for RentWay's IT staff and was instrumental in establishing the software development and testing methodology.

"The professionalism that we saw from Summa during the project was very good," states Monson. "We are very pleased with that."

THE RESULT

iRIVETS implements all of RentWay's most critical business functions. It supports RentWay's entire business, including point-of-sale, rental contract management, payment processing, inventory control, account management, purchasing workflow and approval processes, customer service and relationship management, and employee ERP functions.

SOLUTION BENEFITS

- Make intelligent purchasing decisions with real-time, corporate-wide information
- Balance the inventory mix across all locations
- Improve customer relationship management
- Enhance employee productivity

SUMMA EXPERTISE

- IBM Premier Level Partner
- Certifications in 17 different areas, including IBM WebSphere Application Server, IBM WebSphere Portal, IBM Certified Enterprise Developer and Enterprise Application Development with WebSphere Studio

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Planned for full production in October 2005, the system has custom functions designed to solve RentWay's business challenges. In addition to payment processing, employees will be able to create schedules and track working hours, create and manage customer information and rent-to-own agreements, and manage delinquent accounts.

The main users of the system are store employees, store managers, corporate managers and RentWay executives. iRIVETS will enable employees to make intelligent purchasing decisions, balance the inventory mix across all locations and improve customer relationship management. These features reduce support costs, enhance employee productivity and provide greater management controls.

The company's employees will be more effective in their daily tasks using the new system, helping to improve the company's bottom line and profit margins. Employee productivity enhancements will be recognized at the store and corporate levels. At a corporate level, critical business decisions can now be based on real-time aggregated data from all of RentWay's retail locations. At the store level, managers now have the information they need to make real-time decisions to increase their profit margins and interact with other stores for transferring payments and inventory.

Furthermore, a newly enhanced workflow-based purchasing function streamlines the ordering, approval, buying and invoicing operations associated with store inventory. Store managers now get updated status information for their inventory orders. The system will also provide customer relationship management functionality, improving customer satisfaction and retention.

The iRIVETS system allows RentWay to drive excellence in every aspect of their stores' operating performance by simultaneously driving top line revenue growth and better managing costs, resulting in increased profitability across the organization. And, the new web-based system will provide immediate benefits to RentWay by significantly lowering application support costs associated with distributing application fixes and enhancements to RentWay's 3,000 Point-of-Sale stations running in more than 770 stores. All of these enhancements modernize RentWay's existing business applications and provide a great foundation for continued growth.

"We built a good relationship with Summa," concludes Monson. "Our teams work really well together. Summa integrated themselves well into the RentWay family."

ABOUT SUMMA

Since 1996, Summa has been providing high-impact IT consulting services and customized, commercial-grade software development for companies ranging from regional businesses to Global 2000 firms. Summa specializes in helping companies evaluate and implement IT modernization strategies to better meet their business objectives. Whether a business needs a web accessible interface to a mission-critical application, to renovate legacy systems, or to connect existing applications, Summa can help. Summa is an IBM Premier Business Partner, a Microsoft Certified Partner and a member of the Oracle Partner network. For more information, visit www.summa-tech.com.