

Flexibility. Speed. Scale.

Johnstone Supply is the leading cooperative wholesale distributor in the HVACR industry, with over US\$2.2 billion in annual sales and more than 422 stores across the United States.

The company offers superior customer service, technical advice, and training seminars, and it prints an annual catalog featuring more than 32,000 parts and supplies.

A searchable online catalog with more than 100,000 products is also available.



COMPANY AT A GLANCE

Name: Johnstone Supply Inc.

Industry: HVACR

Model: B2B

Year Founded: 1953

Headquarters: Portland, Oregon

Stores: 422

Revenue: Over \$2B annually

Website: www.johnstonesupply.com

A CHALLENGING BUSINESS MODEL

Its business model is based on selling equipment and parts to contractors from hundreds of suppliers. All told, its ecommerce catalog includes more than a million SKUs, 80,000 of which can have up to 1,200 possible product attributes. Such a complex catalog placed an enormous demand on its systems. Johnstone always had solid data, but it lacked the tools to exploit it as a competitive advantage.

Industry trends compounded the problem. Its customers (contractors who sell to and service their own customers) increasingly required fast, easy, mobile access to product information. Speed is crucial in Johnstone's business, so the company needed a solution that could handle a staggering amount of product information and product assortments. "Imagine your home with a broken furnace in 20-degree weather or showing up at a restaurant where the cooler is broken. This essential equipment has to be fixed right away." – Klaus.

Johnstone Supply is a cooperative rather than a centrally-owned corporation. Its 422 stores are independently owned by more than 100 different co-op member groups served by the headquarters in Portland, Oregon and six distribution centers nationwide. Some are small operations with a single store and others are owned by larger store groups that manage several regional stores. Due to each store being owned and operated by different groups of people, Johnstone Supply supports three different Enterprise Resource Planning (ERP) systems to manage product information, pricing information, and inventory at the local store level.

“We chose Elastic Path for its flexibility. With our business, we had a need to create multiple catalogs, so that was one of the driving factors. Also, speed was a factor. We needed to do something very quickly, so the speed and some of the capabilities of Elastic Path were very appealing to us at that time.”

- Brian Klaus, Director of Ecommerce, Johnstone Supply

They needed an enterprise-grade commerce solution, and they needed one with four key capabilities:

- The ability to handle massive catalogs with complex product information
- A flexible system that can scale to meet future demands
- A unified view of the customer
- The ability to integrate with and manage three different ERP systems simultaneously.

THE SOLUTION

After evaluating several leading platforms on the market, Johnstone Supply selected Elastic Path.

Elastic Path's robust framework is also key, enabling fast, flexible integration across hundreds of stores. "Product availability is extremely important, and we do a lot of external calls to our store group systems in real-time," says Klaus. "We use a lot of APIs, and more than anything we are connecting to our stores' ERP systems. We're retrieving information such as pricing and availability in real-time. It's very important that contractors know we have what they need in stock before going on site."

Johnstone also juggles two different categories of products: those that are nationally sourced and provided to every store; and those that are locally sourced products, e.g. snow

shovels that sell well in Minneapolis and not at all in Florida. Every one of its catalogs includes a mixture of nationally supplied and locally sourced products.

That means that every store website is a little bit different. They are all branded to Johnstone Supply, of course, but they're tweaked versions of the main site, using a paradigm that is functionally equivalent to the B2B2C model.

In 2017, Johnstone refreshed the Elastic Path platform and put the then-latest version of the engine under the hood, significantly improving performance and connectivity with the back-end system. Since then, the company has enjoyed growth of its online revenue that represents 11% of overall sales.

KEY BENEFITS

Johnstone has realized several benefits since adopting Elastic Path, including:

- Improved customer experience across all channels
- Accurate product content across all channels
- Increased speed to market for new products across all channels
- Increased operating efficiency and ability to scale
- Ability to handle increasing volumes of product data, including products sourced locally
- Flexible business model that includes B2B and B2B2C

Johnstone plans to further enhance its platform to reduce friction. "We march to the drum of making it easier to do business with us. We've partnered with Elastic Path and engaged in strategy discussions, so we can continue to grow our online business, and align with the product roadmap." – *Klaus*.

If you need help delivering unified commerce experiences across all customer touchpoints, contact Elastic Path. info@elasticpath.com | elasticpath.com