Case Study



Nebraska Furniture Mart From small beginnings to giant success

From humble beginnings in the tiny basement of an Omaha shop to two giant megastores in as many states, few companies have embraced evolution quite as much as Nebraska Furniture Mart.

With its rich tapestry of history, from the story of founder Rose Blumkin's escape from post-World War One Soviet Union, to the \$60 million deal she would seal with a handshake from legendary investor Warren Buffett half a century later, NFM is in many ways the embodiment of the American dream.

Behind the scenes though, sustained growth has created modern challenges, with booming sales, store expansion and a rapidly evolving marketplace presenting technological requirements that demand a permanent finger on the pulse of progress.

The motto of Blumkin, who was known as Mrs B. and still showed up for a hard day's work until just before her death in 1998 at age 104, was: "Sell cheap and tell the truth,"

Yet according to Buffett, whose Berkshire Hathaway group of companies acquired a majority stake in NFM in 1983, the real genius of this woman, who may no longer be with us but whose ethos lives on, was in accepting the inevitable challenges that arise in business with preparation, not fear.

A look to the future, NorthgateArinso-style

Through the company's history natural disasters including tornados and floods were dealt with by rebuilding and renovating, but recent years brought lurking obstacles of a less obvious variety.

A commitment to technology was soon adopted as standard practice, as NFM sought to further strengthen its position in its sector. When NFM's previous mvEnterprise system was no longer deemed sufficient to provide the kind of functionality the company required, it chose to migrate to Reality in the form of a partnership with NorthgateArinso.

NFM initially undertook an exhaustive selection process, during which NorthgateArinso emerged as the clear leader due to its commitment to MultiValue technology and its expertise in the field. A seamless migration in 2007 laid the foundation for a business union that has now been expanded into a ground-breaking, 10-year commitment, thereby guaranteeing continuity and stability on both sides.

"We believe in the future of Reality and the future of this partnership," said Jim Fried, Management Consultant. "Once you find something that works, then you stick with it. That is how we see the connection we have with NorthgateArinso. We are delighted to be moving forward together. Looking ahead, we see our relationship with NorthgateArinso as a critical asset and Reality as a technology that will drive us forward."



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Jim Fried Management Consultant, Nebraska Furniture Mart

Flexibility and Firepower brings Peace of Mind

As business technology continues to evolve at a rapid pace, NorthgateArinso prides itself on its ability to respond to the fluctuating needs of the marketplace and this dedication has not gone unnoticed at NFM.

"This firm believes in being prepared for whatever is thrown at us," said David Ragan, NFM's Senior Database Administrator. "That is a major reason why NorthgateArinso held great appeal."

"As time goes on our business is going to become more web-centric and we now have the platform to adapt in whatever direction we need to."

One of the key reasons NorthgateArinso retains its position as the biggest MultiValue provider in North America, is precisely the kind of flexibility that has been so valuable to NFM.

With the highest level of technical firepower within its team and a willingness to stake its reputation on every single migration, NorthgateArinso provides a level of service that cannot be matched.

"From the beginning of this process we knew there was little benefit in simply acquiring a product," said Dana Haynes, Business Process Improvement Manager. "We want to have access to a team that is in tune with our specific needs as a company.

"It is vital that NorthgateArinso is able to offer that kind of facility, and from the very outset our relationship with them has been rock solid."

Striding Forwards as Partners

Once the initial migration proved to be a resounding success, it did not take long before NFM and NorthgateArinso began to appreciate the value in locking down a longer-term commitment.

Negotiations for an arrangement that would extend the partnership between the companies until 2016 were finalized in late 2009, and both parties could not be happier.

NFM continues to benefit from greatly improved web-based functionality and just as the business has grown into a multifaceted, round-the-clock, interactive operation - now it has an operating environment to match.

"This made a lot of sense for us," said Haynes. "When you have an asset and a strong partnership, you want to maximize it. Reality is good for us and I believe we also add a lot of value to the partnership."

"It gives us a lot of peace of mind to know that technologically our system's future is secure."

As Nebraska Furniture Mart continues to take giant steps forward, while retaining the time-honored devotion to low prices and customer service initiated by its founder, NorthgateArinso is proud to be along for the ride.

With the partnership committed to providing increased performance, stability and functionality in the future, we think Mrs. B would have approved.

And there is no greater compliment than that.

