IBM   **IBM Customer Reference**

Casas Bahia

Synopsis:
IBM upgrades point-of-sale system from DOS to Linux, improving scalability and
functionality

Location:
Sao Paulo, Brazil

Industry:
Retail

URL:
http://www.casasbahia.com.br

Customer Background:
Casas Bahia is one of the largest non-food retailers in Brazil, selling US$1.6 billion of furniture,
household goods and appliances in 2002. Its customers are mostly low income people who have
difficulty getting credit. As a result, approximately 90 percent of sales are made on credit financed
by Casas Bahia's capital. By requiring customers to return to the store each month to pay, Casas
Bahia entices two-thirds of them to make another purchase. The retailer has more than 320
stores and 16,000 employees.

Business Need:
Casas Bahia was running an IBM DOS operating system within its stores that had an outdated
user interface, lacked scalability and could not be upgraded. It also used a point-of-sale (POS)
screen to display advertisements to its customers, but the system did not have enough resources
to update screen images. It wanted a new operating system that would provide a wider variety of
POS functions.

Solution:
The new Casas Bahia solution has been implemented at 320 stores and is comprised of the
Linux Red Hat 7.1 operating system running on more than 1,500 IBM 4694-207s and 205
SurePOS terminal point-of-sale systems.

The migration of the POS system from DOS to Linux was transparent to the 1,500 end users, but
will provide more POS functionality and scalability. The application being used was developed in-
house by Casas Bahia.

In the near future, Casas Bahia will be migrating to Linux Red Hat 7.3. The company is also
currently working on additional Linux projects within the store and is moving in the direction of a
Linux-only store environment that will include IBM eServer xSeries servers.

Benefits of the Solution:
Although there are not currently any quantifiable benefits, the new solution provides the customer
with a graphical user interface, increased security and stability, the ability to run new applications
and a better ROI. Linux also enables Casas Bahia to use a Tivoli agent in the POS system that
will optimize management and software distribution.