



Business Intelligence to Gain Accurate and Actionable Data

The retail industry is a constantly changing marketplace, and possessing the ability to adapt to changing competitive market conditions is imperative. While consolidation in the industry has forced some of the competition to close their doors, retailers are still asking themselves, “How can we sustain profitability on razor thin margins?” The answer is simple – accurate and actionable information. Many retailers, both large and small, have made great efforts to capture mountains of valuable data. However, most continue to struggle on how to make sense of it all in an efficient and effective manner. For most retailers, the same information barriers often rise to the surface:

- Data is stored in multiple sources and technology platforms (known as the “silo effect”)
- Lack of “real-time” or timely reporting due to processing performance related issues
- Multiple versions of the truth, causing lack of trust in the data by the users
- Inability to efficiently view data from outside the four walls of the organization (i.e., store managers and field staff)
- Inability to provide critical decision making information in a single, comprehensive view
- Reduced productivity by spending more time compiling data instead of analyzing data

The underlying problem is not a lack in available technology. Rather, it has to do with implementing an ineffective strategic approach to business intelligence. By implementing the right business intelligence solution, retailers can gain the valuable insight and analytical means to make key decisions across the entire supply chain from planning, allocation and purchasing decisions to sales analysis. The benefits to implementing an effective business intelligence strategy include:

- Consolidating valuable data into a single data source and technology platform; eliminating all data “silos”
- Providing “real-time” visibility to critical business information
- Providing a single version of the truth
- Restoring user trust in the data, therefore increasing user acceptance
- Providing decision-makers outside the organization the ability to view and make timely business decisions through Web-based reporting portals
- Consolidating multiple reports with redundant information into comprehensive report views
- Increasing productivity by spending more time analyzing data instead of compiling data

While the benefits to implementing a strategic approach to business intelligence are clear, how to implement is another question that retailers often struggle with. Though there are many solutions in the market, selecting the right solution is half the battle. Before running out and selecting a business intelligence solution, a retailer should start with a solid technology foundation or framework. After all, would you build a house without a foundation? Probably not.

Developing a business intelligence technology infrastructure that brings together all data sources into a single repository of data is the first step. Once the appropriate technology framework has been established, the retail organization should select the best business intelligence solution that meets both the technology framework requirements, as well as the current and future business needs of the organization.

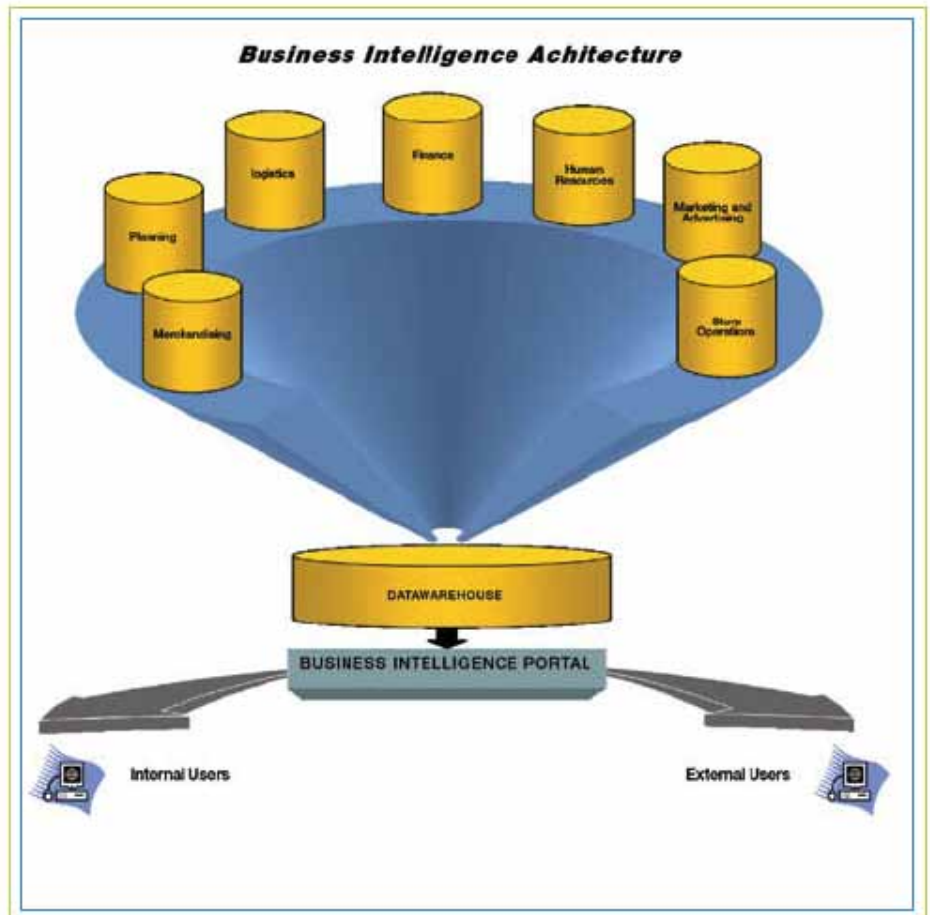


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Now, the next question is how to deliver the information across the entire organization. The decision makers who rely on the information extend beyond the four walls of the retail organization. These decision-makers range from district managers, store managers and DC managers, all the way to the merchandise vendor.

Delivering the information necessary to analyze all facets of the product-life-cycle and the supply chain requires the ability to view reports anywhere, anytime. Traditional modes of delivery such as mailing hardcopy reports or e-mailing spreadsheets to the external user community is both time consuming, and costly. This results in reduced productivity, as well as missed opportunities due to the timeliness of delivering the information to the decision-makers. These requirements have made Web-based portal solutions increasingly popular within the retail industry. This technology provides the ability for both internal and external business users to access critical data in a timely manner.



One concern with many retailers when exploring the Web-based portal approach is how to control access to valuable company information. Most Web-based portal solutions allow system administrators to structure and assign report rights to individuals based upon the department they work in and can assign even greater levels of security by granting access to reports based on specific user roles within the retail organization. In addition to security features, Web-based portals provide added value to business intelligence solutions by:

- Providing user-personalization in the way data is viewed, saved and retrieved
- Providing the ability to customize content that appears on the screen based on user-defined settings



- Enabling system administrators to easily grant additional user privileges, allowing them to run additional queries anytime, from anywhere
- Providing a secure, role-based managed reporting environment

The last and most important decision a retailer faces when implementing their business intelligence strategy is who is going to do it, and how much is it going to cost. Some larger retailers possess the necessary functional and technical resources to implement internally. However, in most cases, retailers look to external consulting firms to provide assistance.

Utilizing qualified consultants who understand the retail environment and are extremely experienced in implementing business intelligence solutions is highly recommended. The goal should be to utilize the external expertise to get the foundation built, transfer the knowledge and let the internal resources build and expand the solution from the basic foundation.

Implementing the appropriate business intelligence solution does not come without a cost. The costs involved should be looked at as more of an investment. After all, the overall goal of the retail industry is to get the right product to the right location at the right time. The accuracy and timely delivery of information from a business intelligence solution enables key business decision-makers accomplish this goal.

About RPE

RPE is a leading consulting services provider exclusively focused on the challenging needs of the retail industry. RPE provides strategic consulting services, systems management, implementation, integration, modification and system upgrades for retailers worldwide. With a time-tested and proven record in retail, RPE delivers services on time and on budget. Areas of expertise: Manhattan Associates' Integrated Planning Solutions™, Integrated Logistics Solutions™ and Warehouse Management solution; Microsoft RMS; Island Pacific; and the JDA® ASP, PMM® and MMS® applications, E3®, Arthur® and Intactix®. For more information, visit <http://www.rpesolutions.com>.
