



IT Solutions to Reduce Costs and Increase Functionality

Keeping up with the latest technology, applications and providing 24/7/365 operations management is not only challenging, it's expensive. Kimberly Kemp Brown, manager of business systems for the NBA Store, knew that expanding the company's in-house IT department with additional staff knowledgeable on multiple applications as well as operating systems management issues would require a substantial investment in personnel and training.

Kemp Brown opted to utilize services of a third party provider as an extension of the company's IT department and turned to RPE of Tampa, Fla.

"I was looking for an IT provider that was more than just an AS 400 shop and whose people were knowledgeable on the Island Pacific platform," said Kemp Brown. "We also needed a company that was flexible on where the server was located."

Increasing system uptime, reducing IT hiring and training costs, optimizing IT efficiencies and securing 24/7/365 operations management were critical motivators for Kemp Brown to select the right partner.

"Retailers today realize with the standardization of technology, it's not required that all IT function be handled in-house," said Cliff Epstein, president of RPE. "More and more companies are utilizing outside resources as a viable option to reduce IT costs and increase performance to gain the expertise and services that can't be matched in-house."

While many retailers such as the NBA Store prefer to keep the server in-house, other retailers request the box be located remotely at the service provider's data center. With fast and secure VPN communication, it doesn't matter where the box is housed, Epstein added. Clients receive the same seamless experience with no degradation of refresh time whether located on-site or remotely.

Epstein sees a growing trend in IT departments working with outside IT specialists as retailers focus on cost savings and performance putting the accountability of IT in the hands of experts while reducing the "headache" of managing in-house.

"The availability of 24/7 support reduces the expense of a full time staff, especially at night," said Kemp Brown. "With outside experts there is no worry on turnover or retention. Needs are filled without the everyday issues of maintaining a staff."

However, Kemp Brown emphasized that it's important to provide clear direction and maintain open communication since there is not frequent face to face contact with the provider. "You just can't turn it all over and walk away. Communicating and sharing information as if they are employees is critical for a successful partnership."

While cost savings and IT expertise are primary motivators, these should not be the only consideration. For a successful partnership where the retailer can achieve the greatest savings and increased functionality requires an internal self examination to determine if working with a third party is the right business solution.

Selecting a systems operations management company with a successful track record, industry credibility, proven expertise and retail expertise are all essential to establishing and maintaining a rewarding partnership.



Benefits of Systems Operations Management

Economies of Scale – Resources are leveraged and spread among multiple customers so clients benefit from economies of scale and receive systems that are more secure, reliable and scalable than an individual company could achieve. Keeping pace with IT technology moves from the retailer to the provider.

Reduced Risk – Experienced operations and IT experts keep current with industry standards, operations processes and the latest technologies to improve overall performance and standardize diverse and unique systems operations issues. Experts work behind the scene to support store functions and increase productivity.

Competitive Advantage – Third party operations management allows retailers to stay focused on sustaining and growing the business. Timely and accurate information customized to address specific needs allows retailers to review reports to improve business processes and identify sales opportunities.

Programmer On Call – A 24/7/365 data center with programmers on call frees up internal resources. In the event of an application error that requires a programmer's technical expertise, the error is escalated to the programmer on call for immediate attention. The issue is addressed to ensure the system is up and running without interruption in processing.

Flexibility – Retailers can maintain the existing IT infrastructure by keeping hardware in their data center and have managed remotely, while others may rely on the IT company to host all aspects of the IT department. Because retailers change business environments and infrastructure to meet evolving needs, third party providers offer flexibility as needed.

Security Compliance – Extensive security measures are taken to ensure all data is protected. Reports can only be accessed by password so information is viewed by staff members or store operations approved only for that report or function. Exacting standards and implicit guidelines force compliance with security procedures.

Data Reporting – Tailored merchandise, inventory and financial reporting manipulates data to produce specialized reports to assist in forecasting, inventory replenishment and sales trends.

IBM iSeries Experience – Technical staff are IBM Certified iSeries Specialists which require expertise in communications, planning, installation, security, performance tuning, client access, connectivity, SQL and problem determination. Seasoned iSeries professionals are experienced in all phases of retail including merchandise management systems, operations, sales analysis, data warehousing, store systems, CRM, EDI and distribution.

Documentation – Documented policies and procedures are in place to ensure smooth operations. An operations manual, shift turnover log, migrations log, error log, user authorizations log and security guidelines and standards are just some of the many documentation to maintain operations.



Self Evaluation

When considering a partnership with an IT provider, ask these key questions to better determine if outsourcing is right for your IT department.

- Can we fully operate, maintain and maximize the platform?
- Can we provide ongoing training and continuing education to stay current and maximize the platform?
- How much processing takes place during the night, weekends and holidays and who do we call for technical help during these times?
- Are we staffed to operate the data center 24/7/365?
- Can we manage security administration?
- Are we ready to manage the applying of inventory into the system?
- Do we know what to back up and are we managing tape inventory properly?
- Can we manage ongoing menu modification?
- Are W/E, P/E and Y/E procedures in place?
- Do we have a comprehensive job schedule in place that is being followed?
- Do we have the resources in place to take on these responsibilities?

Provider Evaluation

When evaluating and selecting a provider, consider the following criteria.

- Do they have the industry expertise to meet the company's needs?
- Can they deliver the customization, functionality and service required?
- Do they have credibility in the industry with a proven track record?
- Do they have the technical expertise in the required platform?
- Can they manage the application as well as operating systems management?
- Can they provide a seamless integration within the required timeframe?
- Can they offer unlimited growth potential?
- Will 100% of the clients provide references?

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>.
