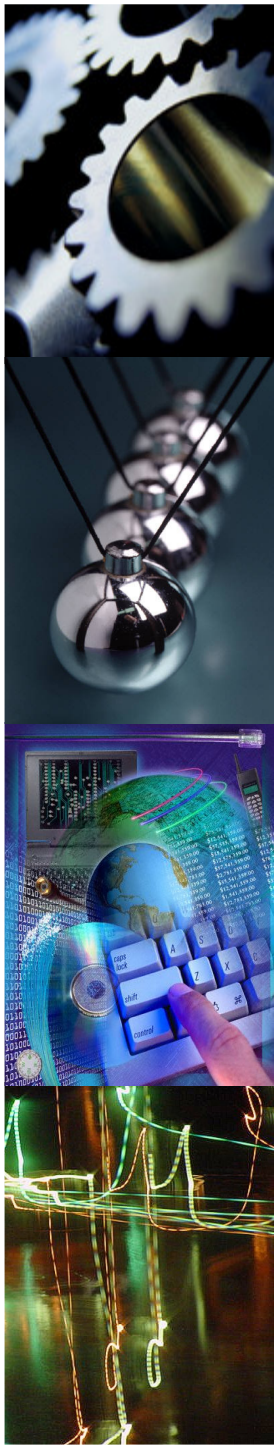

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What you need, when you need it

BI 4 Retail
Details for Business Managers

Public Information
Version 1.2: 1/1/2014

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Why Business Intelligence?

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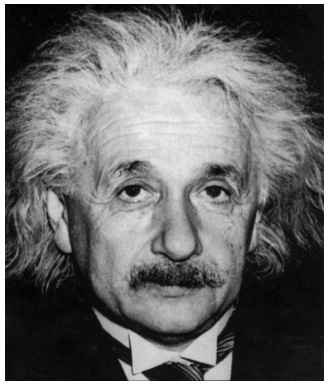
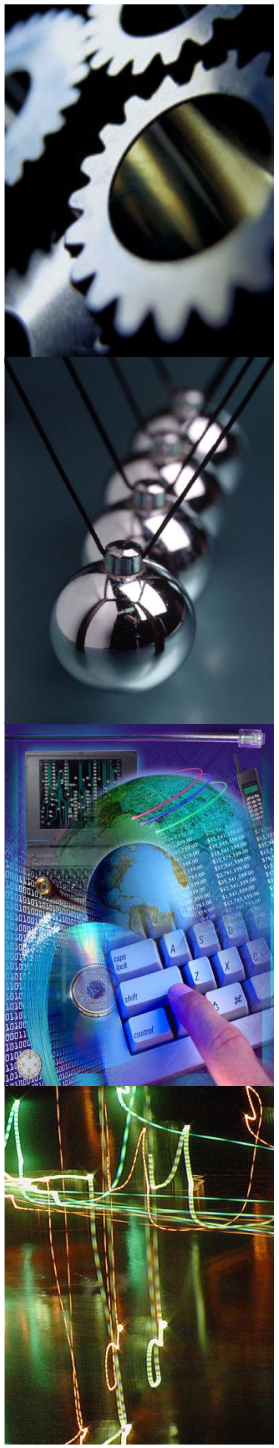
"The significant challenges we face today cannot be resolved by the same level of thinking that created them."



Albert Einstein



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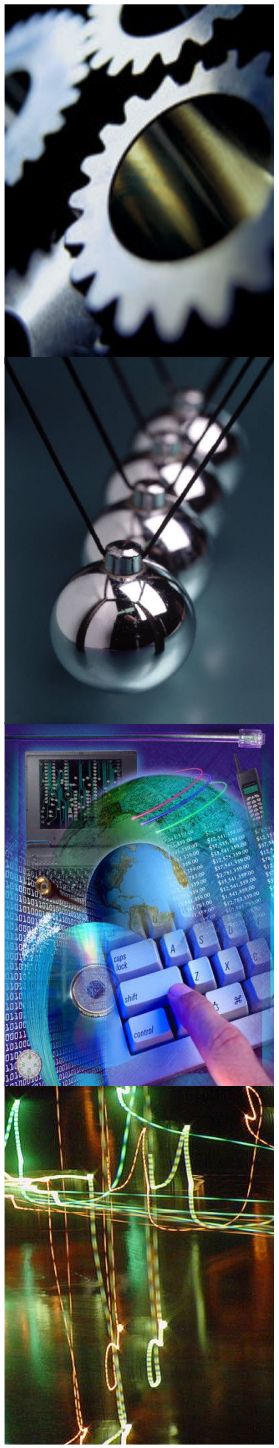

Introduction to BI 4 Retail

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Introduction to BI 4 Retail

BI 4 Retail

Details for Business Managers

Introduction

This document is a 'follow on' document from 'BI4 Retail - Introduction for Business Managers'. Content from this previous paper is assumed. There is some repetition.

The purposes of this paper are to:

- Explain our understand of the problems and issues facing Retailers today.
- Explain our solution to many of these problems. Our solution includes and is not limited to:
  - Business Consulting Services.
  - The BI 4 Retail product.
  - Technology Services to customise the BI 4 Retail product.
  - Hosting Services to make this data available to you at your desktop.
  - Consulting Services to write new reports.
  - Business Consulting Services to assist you gain the maximum benefit from BI 4 Retail.
- Explain the information stored in BI 4 Retail.
- Explain the benefits companies have achieved when implementing systems like BI 4 Retail.

In this paper we continue the use of the Strategic Information Alignment Framework developed by Donald Marchand in his book 'Competing with Information'.

We use the Strategic Information Alignment Framework to put our Business Consulting Services and the BI 4 Retail product into the context of the framework.

In this paper we explain some of the:

- Processes
- Checklists
- Best Practices

we use in establishing a companies position on the Strategic Information Alignment Framework. Once you have agreement on where you are on the framework you can then discuss and agree the areas of improvement desired.

We then explain all the areas of information in the BI 4 Retail product so that you can understand what information can be put into the system 'as is'.

We make the point that the system is intended to be customised on a client by client basis so you can always add more information that might not already be covered in the system.

We then briefly present some of the Standard Reports available from BI 4 Retail.

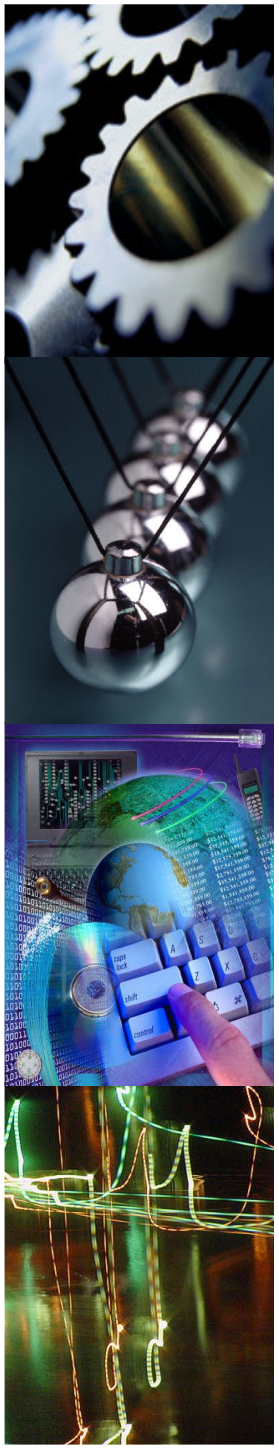
Lastly, we close this document with a series of brief case studies across many industries of results that have been achieved when implementing systems like BI 4 Retail.

We hope you enjoy reading this document. We trust that you will find it interesting, engaging and informative.

Most of all we trust that you will consider investing in BI 4 Retail in your company.

Best Regards

The Instant Business Intelligence Team



Companies We Have Worked With

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Companies We Have Worked With

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Companies We Have Worked With

A number of people have contributed ideas to the development of BI4Retail. The experience of these people is unequalled.

We have included on this page just some of the clients the contributors to BI4Retail have worked with over the years.

Telcos

- Talk-Talk
- Sky-Talk
- BT
- Eircom
- Energis
- Clear NZ
- CTC Mundo (Chile)
- Mobily
- Orange Romania
- Matav
- MTN (South Africa)
- One-2-One
- PhilTel
- Sonofon
- Saudi Telecom
- Telstra
- Telecom NZ
- TeleDenmark
- Telenor
- Telewest
- Turkcell
- US West/Quest
- Vartec/Excel
- Vodacom (SA)
- Vodafone (UK)
- Vodafone (Romania)
- Smart Telecom
- AAPT
- NTL

Banking/Finance

- Allied Irish Bank
- Standard and Chartered Bank
- National Australia Bank
- Westpac Bank
- St. George Bank
- Commonwealth Bank
- ANZ Bank
- Bank For Development
- Society General
- Royal Bank of Scotland
- Standard Bank of South Africa
- Scandinaviska Enskilda Banken
- Den Norske Banken
- Collonial State Bank
- Capital Bank UK
- Bank of America
- Scotia Bank Canada
- BCP Portugal
- BPA Portugal
- CGD Portugal
- BankComer Mexico
- Union Bank of California
- NationBank America
- Banco Commercial Italy
- Guarantee Bank Turkey
- Post Bank Sweden
- Masterlink, Taiwan
- Reserve Bank of South Africa

Retail

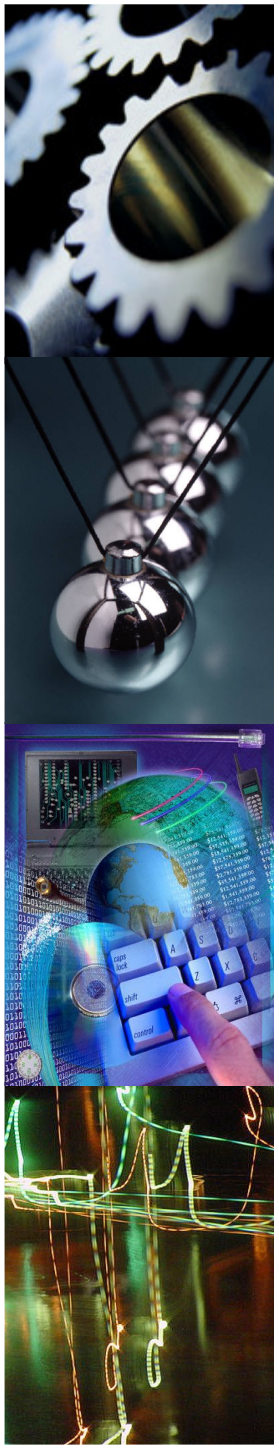
- Albertsons
- Coles Myer
- Boots
- Tesco
- 366 Pharmacy
- Sensiblue
- J. Jill
- Talbots
- Atelier Goldner Schnitt
- Peter Hahn
- Madeleine
- K&L Ruppert

Insurance

- Mutual Life Company
- AMP Society
- VH1 (Health)
- CIC Insurance
- Manulife (Hong Kong)
- AAMI
- Vero

Other

- IBM
- SAS Software
- North Jersey Media Group
- Lindorff
- Johnson and Johnson
- Unilever
- Electronic Arts
- Deutsche Borse
- Australian Consolidated Press
- Perisher Blue
- Australian Customs Service
- Australian Department of Defense
- Department of Education, Employment Training
- Heinz Watties



Our Understanding of Your Problems

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Our Understanding of Your Problems

BI 4 Retail

Details for Business Managers

Our Understanding of Your Problems

All around the world today there are many problems/issues facing Retailers. These include and are not limited to:

- Increased number of stores and larger retailers.
- Increased coverage of 'malls' and larger retailers making it faster and easier for your customers to 'go to the mall'.
- The increased competition from the 'malls' and larger retailers.
- Increased competition from low cost providers of goods for retail such as China and India.
- Increased competition and ease of purchase from 'internet retailers'. In many cases the larger 'bricks and mortar' retailers are also launching internet stores.
- Pressure on total overall sales. The global economic crisis is biting in many countries.
- Pressure on overall margins.
- The decreasing population of some EU countries.

Our Clients tell us they have a number of questions on their minds that they are working on to solve in their own way. The different senior managers are asking different questions.

The Director of Marketing is asking:

- How do we generate increased revenues by cross selling and up selling our existing customers?
- How do we gain more customers?
- How do we slow down or even stop the trend of our customers buying the products we sell from our competitors?
- How can we understand then meet customers expectations?

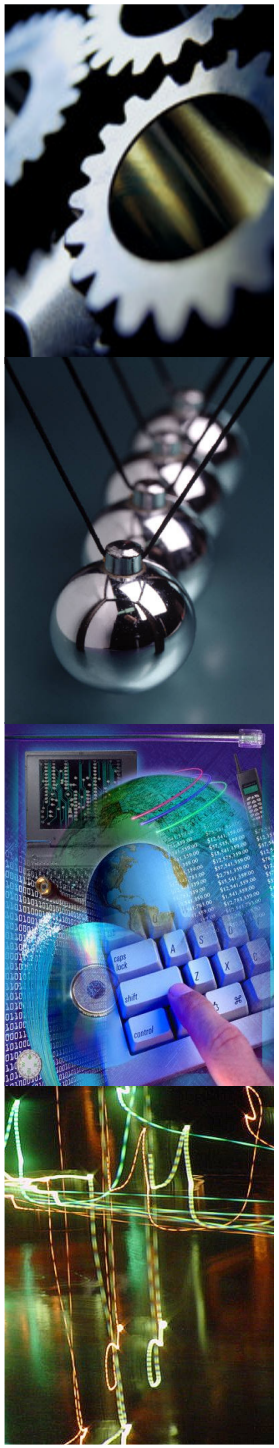
The Director of Merchandising/Sales is asking:

- How do we make sure we are selling the products we will be able to source?
- How do we make sure we do not spend money generating demand for things we will struggle to supply?
- How do we optimise our stock position across all our products and locations so that we minimise 'out of supply' but do not get left with 'excess stock' at the end of season.
- How do we provide an optimised delivery service to our customers? How do we strike the balance in 'value for money' for the delivery process?
- What is the most effective way to handle out of stock, delivery failures and other logistical issues?
- How do we manage customer satisfaction with respect to logistics?
- How can we assist Sales and Marketing in such a way that we increase overall sales and profit?

Other staff members of Retailers are asking these and many more questions.

Unfortunately, the answers are not simple. If they were simple, all retailers would be booming! Improving the business performance of a sizable, complex company can be a difficult task because it requires an understanding of the impact across the organisation of decisions made by one area. A simple example. You can avoid sellouts by buying more inventory but unsold stock drags down profit. The real question is: 'What is the optimum level of stock at SKU/Location level?

This and hundreds more questions like them can be answered by BI 4 Retail.



Our Solution to Your Problems

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Our Solution to Your Problems

Our Solution to Your Problems

The issues and problems in Retailers at the moment are many and varied. We know because we have been working with large retailers for many years. Most recently especially in the hyper-competitive marketplace of Germany.

To assist our clients we have been working on developing consulting services, and products, which leverage our knowledge and understanding of what is of most value to Retailers.

We were delighted to find the text 'Competing with Information' because it puts a formal framework, published by a leading management consulting institute, around the work we have been doing for years and years.

To develop solutions for our clients we have blended together:

- Our extensive experience with IT over many years.
- Our extensive experience with our clients.
- 'Competing with Information' as a framework.
- Experience shared with us by Global Business Intelligence Consultants.
- Experience we have gained from classes we have attended that were given by some of the world leaders in Business Intelligence.
- The BI 4 Retail product.

Our Solution to Your Problems is a broad service offering which includes and is not limited to:

- Business Consulting to determine which portions of the solution will deliver the most profit improvement to your company.
- Development and definition of Business Driven processes to improve profitability.
- The BI 4 Retail product which includes:
  - A database based on global best practice that is customised to meet your unique requirements.
  - A suite of template applications that are customised to meet your unique requirements.
  - All the software you need to put data into the database each and every day so it is up to date.
- The customisation and implementation of the BI 4 Retail product.
- The hosting of the BI 4 Retail product in our data center so that you can access everything you need from your desktop and not worry about running everything inside your IT shop.
- Follow on Business Consulting to maximise the results produced by BI 4 Retail once implemented.

We know from experience that our solution to your problems will deliver significant profit improvements to your company in a short period of time.

Business Consulting

Many consulting companies approach clients with 'one solution'. This is like the old saying 'when all you have is a hammer, everything is a nail'. We approach our clients with no 'preconceived ideas' as to what is going to generate the most value for our clients.

We use the Strategic Information Alignment (SIA) framework proposed by Donald Marchand as the basis for our consulting assignments.

We perform the processes of:

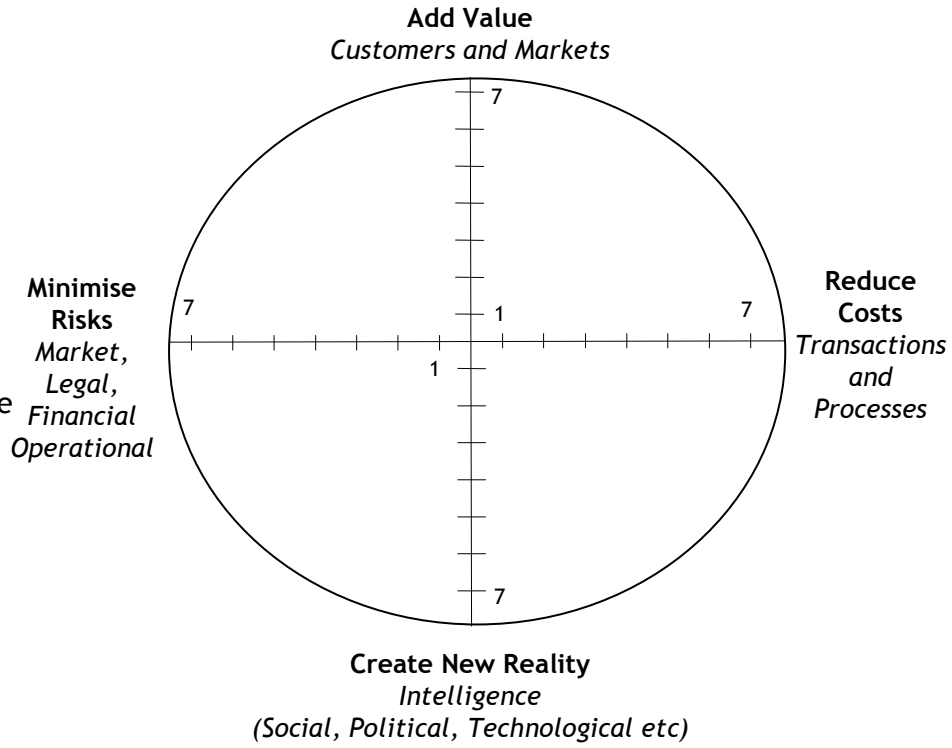
- Determine where on the SIA you are currently positioned.
- Develop agreement which areas you would like to improve on the SIA.
- Develop project plans to address the agreed areas of improvement.
- Submit these project plans to your company for decision.

Once the project is completed we implement an ongoing process of:

- Measure, monitor and manage the business using plan versus actual dashboards.
- Propose Business Initiatives to further improve business performance.
- Measure, monitor and manage the outcomes of the Business Initiatives.

We assist you to determine where you are on the SIA by using the following 5 step process:

1. Ask the question: What are the current ways the Business Unit uses information?
2. Compare and contrast the ways of using information with other business units in the company.



3. Compare and contrast the business units' ways of using information with other companies inside and outside the industry.
4. Develop a clear view of what improvements need to be made in the company's ways of using information to close the gaps between desirable practices and current capabilities.
5. Identify the changes in the business that will be required to implement the desired levels of information management practices in the company.

Your Positioning On the SIA Framework

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Defining the points of the SIA Framework

Marchand provides details of how to measure your company against the 4 axes to support your decision making process as to where to invest to improve your current capabilities. Some of the ways we evaluate your companies position on the SIA are as follows:

Adding Value

1. Information about customers and markets is not collected.
2. Information about customers and markets is collected but not used.
3. Provides surveys of customers; follow up is uneven.
4. Use Market Surveys, focus groups and customer surveys regularly.
5. Real time collection of customer information combined with market forecasts are in place and regularly used.
6. Customer Satisfaction constantly evaluated and used company wide.
7. Information about customers and markets aggressively collected and used in real-time company wide.

Creating New Reality

1. New Product/process ideas not sensed or processed; little focus on innovation.
2. Innovation and discovery are focused on R&D, not other functions.
3. Senior management commitment to product/process innovation; implementation is uneven.
4. Balance of product and process innovation is achieved internally.
5. External scanning of best practices and innovation is strategic to company managers.
6. Product generation is a key process for business survival.
7. Sensing for innovation is continuous and company wide.

Reducing Costs

1. Functions dominate process; little evidence of process focus.
2. Process management mindset just beginning.
3. Process/quality programme in place in specific functions.
4. Process improvements are beginning to be company-wide.
5. Process/quality focus is company wide and beginning to focus on customers and partners.
6. Process focus dominates demand/supply chain management inside/outside company.
7. Global, regional process focus is implemented and continuously improved.

Minimizing Risks

1. Financial, operational and external risk controls are weak to non-existent.
2. Financial controls are in place; operational and external risks not controlled.
3. Financial, operational and external risk controls are in place; reliability not known.
4. Balance of financial, operational and external reporting and controls.
5. Predominant emphasis on financial performance and risks.
6. Heavy focus on financial and operational performance and risks.
7. Key focus on management of operational, financial and external risks.

Determine Areas for Improvement

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Determining Areas for Improvement

The SIA has 4 axes:

- Add Value to customers and markets
- Create New Reality
- Minimise Risks – Market, Legal, Financial and Operational
- Reduce Costs – Both Transactions and Processes

Together we will determine which axes and by how much you want to improve over what time frame. Your company will be unique in the combination improvements that you choose to make.

No matter the areas you choose for improvement BI 4 Retail can support your choices.

BI 4 Retail is focused on Adding Value and Create New Reality as these are the areas of greatest profit improvement opportunity. And many companies already have systems in place to minimise risk (Accounting) and Reducing Costs (Operational Systems.)

There are many ways in which we can assist improve across any of the 4 axes. In the remainder of this section we have included some of the ideas we use to improve across some of these axes.

Adding Value to Customers and Markets

Why bother adding value to Customers and Markets?

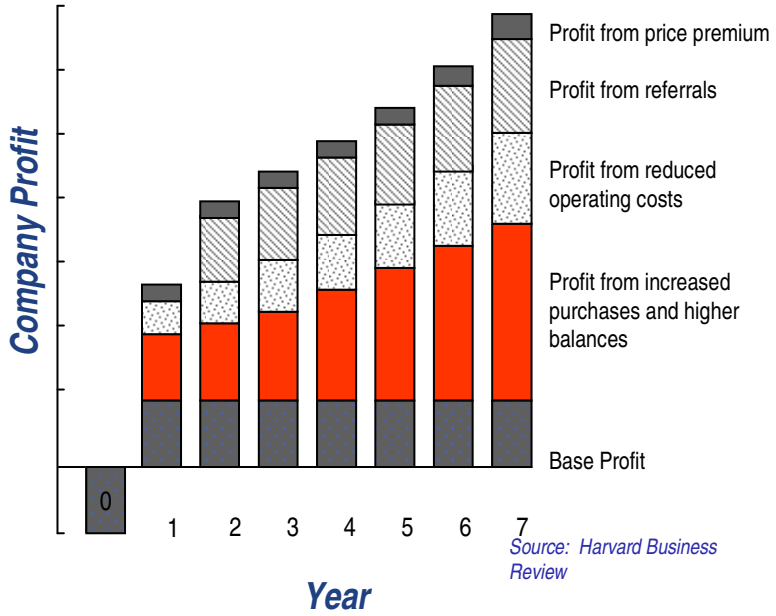
Because every study performed to date tells us that companies that provide some level of 'premium' and manage their relationships with their customers effectively enjoy greater levels of profitability and long term loyalty from their customers. And the profit difference can be up to double!!!

Customer bonding not only enables companies to compete more effectively, it also provides a valuable source of growth during times of intense competition.

In most sectors today customer retention – or bonding – is vital to success, despite the presence of new customers.

There are several reasons for this:

- It is cheaper to keep customers than to acquire new ones.
- Available customers might be limited, and the costs of attracting and retaining those new customers might be extravagant – especially for that part of the market called 'bargain hunters'.



Source: Harvard Business Review

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Assessing Customer Bonding

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Assessing Customer Bonding

We may work with you to assess and understand your company's level of customer bonding. We may ask questions like:

Organisational culture and structure

- Are the people liaising with customers empowered sufficiently to help them?
- Are customer complaints handled quickly, and are there processes in place to prevent problems recurring and to follow up complaints once the situation has been resolved.
- How are service quality problems resolved (how quickly, by whom and at what cost)? How could this be improved?
- Do people developing the product offer (including all aspects of the product such as pricing and delivery as well as product benefits) have a good value proposition? How is this arrived at?

Personnel and skills development

- Are the people liaising with customers skilled at listening and recording customers needs? This can be used for market sensing as well as to enhance the sales proposition and to develop customer loyalty schemes.
- Are the right people in the right place at the right time?
- Is additional training needed? For example, would front-line personnel benefit from greater product knowledge.

Brand perception, market and customers

- What do customers value most about your products?
- How can these benefits be extended profitably?
- What do customers dislike about your organisation or products? How can these issues be removed?
- How many customers are retained? How can this retention rate be improved? What would be a realistic target and timescale?
- What contact does your organisation have with it's customers, and how well is this managed?
- Are there any additional communication channels that could be used to link with your customers?
- How can you involve your customers in the business on an ongoing basis? (Eg. Reward schemes or pilot products?)
- How does your organisation monitor customer satisfaction?

Innovation

- How innovative is the business?
- Who generates new ideas? Those with a close understanding of the customer or others?
- How quickly, successfully and cost -effectively are new ideas implemented?
- How effective is the process for anticipating customer needs?

Information Systems

- How detailed is your customer information? Does it really tell you what you need to know? Could it be improved?
- Do people in the business share the same information?
- Do the views of customers flow quickly to the right parts of the organisation?
- Does everyone that needs it have access to the necessary information?
- How often is information relating to customers updated and distributed?

Which Customers? – Customer Segmentation

BI 4 Retail

Details for Business Managers

Customer Segmentation

One pre-requisite to adding value to customers and markets for a 'premium provider' is to answer the question:

'Which Customers?'

In many cases our clients start with the process of customer segmentation before attempting to bond more closely.

This begs the question:

"What is customer segmentation?"

This is not nearly as easy to answer as most people think. This is because 'customer segmentation' can be both 'easy' and 'complicated'.

What is Segmentation?

Segmentation is the act of dividing a set of objects into groups that share common characteristics. In the world of marketing and sales, segmentation is applied to customers, usually in order to better service or understand those customers.

The number of ways to segment customers is almost endless. The number of ways to segment customers such that increased profit can be achieved is far more limited!!

BI 4 Retail contains a vast array of attributes on which customers can be segmented. These include attributes of the customer as well as derivations of values based on the customers behaviour.

The diagram to the right shows one way of segmenting customers based on value vs strength of relationship.

Market Segmentation is:

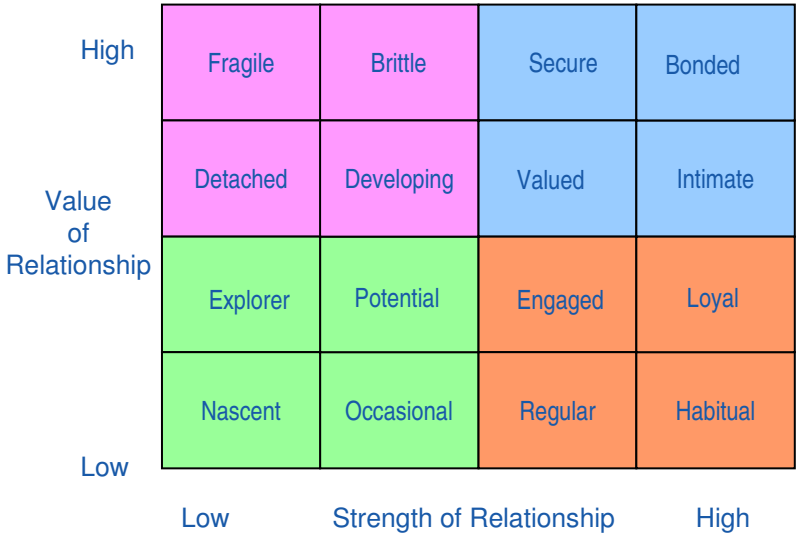
'The process of identifying customers who comprise a homogenous group of consumers for a specific range of goods and services'

Most companies do market segmentation pretty well.

Customer segmentation is:

'The differentiation of customers *within* a defined market. A segment consists of a group of consumers that react in a similar way to a given set of marketing stimuli.'

Most companies are poor at customer segmentation.



Which Customers? – Customer Segmentation

BI 4 Retail

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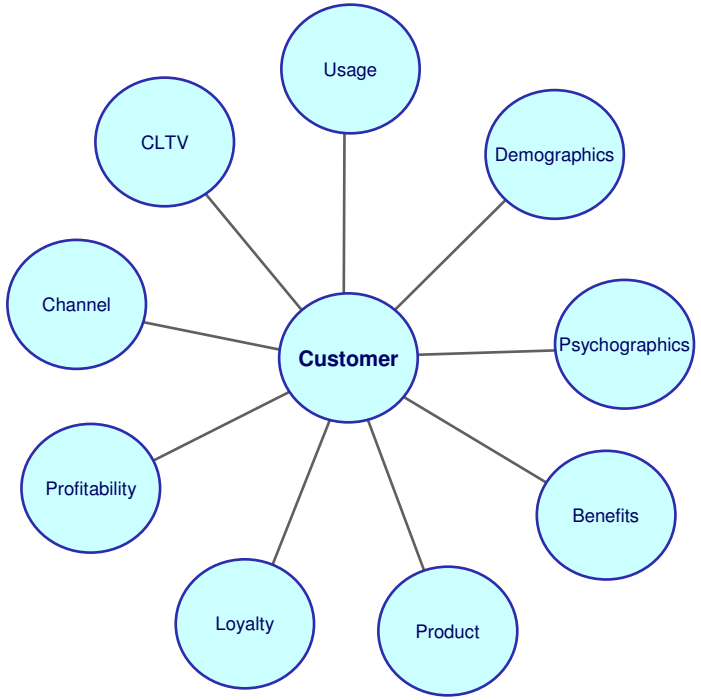
Information for Customer Segmentation

Once you understand a little about customer segmentation you will be immediately challenged with the question as to what information should be collected about customers.



As the diagram shows, there is lots of information you might like to collect about customers. And our experience is that this is all useful and these attributes are all included in BI 4 Retail.

However, our experience is that it is also expensive to collect such information and it takes time. Time you may decide you do not have.

To overcome this issue we have mastered the art of 'Product Catalogue Segmentation'.

Product Catalogue Segmentation

The products people purchase from you tell you something about your customers. For example:

- I own a Nokia E61….that tells vodafone something about me
- I use it in certain ways….that tells vodafone something about me…
  - *If vodafone wanted to listen…*

The products your clients buy reveal things about them. This information can be as powerful as collecting data about them.

Marking the product catalogue is the process of:

- Deciding what segments you want to create.
- Giving 'points' to each product purchase to indicate segment affinity.
- Points range from 0 (no affinity) to 10 (high affinity).
- Decide how many points per segment indicate 'segment membership'.

BI 4 Retail has 64 'Product Catalogue Segments' built into it such that you can start to segment your customers as soon as you mark the product catalogue even if you do not have many of the attributes noted in the diagram to the left!

There is much skill and not a small amount of 'art' still in the process of more sophisticated customer segmentation.

We advise our clients to start with those things that are easy to do, implement the technology required to make effective use of customer segmentation, and then move up the learning curve as rapidly as possible to extract the greatest amount of value out of customer segmentation and marketing activities.

What other data might be valuable in managing relationships with customers?

Which Customers? – Customer Segmentation

BI 4 Retail

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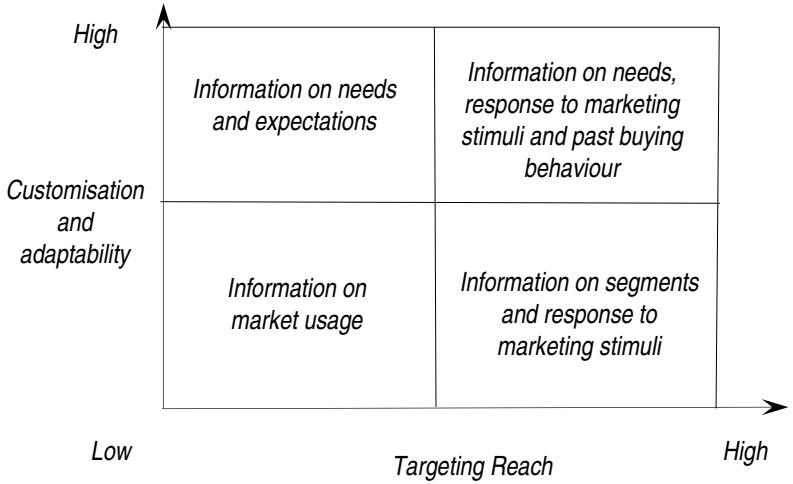
Information for Customer Segmentation

As a part of our consulting services we will review the type of information you may need to collect to support your customer segmentation efforts. We will work with you to consider the following factors from a customisation and targeting reach perspective.

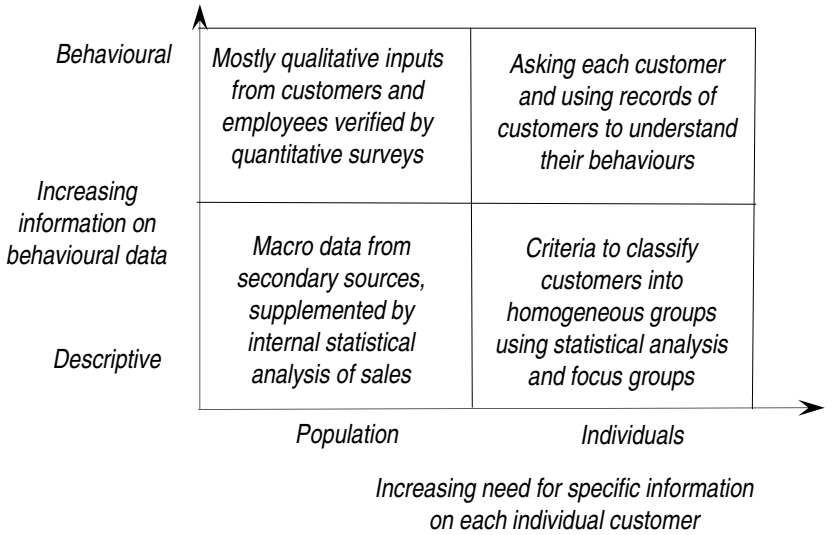


Information for low levels of customisation and reach is easy to collect. When attempting to perform high levels of customisation and broad targeting to larger numbers of customers you will need much more capability to collect and use information.

BI 4 Retail covers the broad spectrum of information that might be collected and is easily extended to support new sources of information.

Behaviour Information

As a part of our consulting services we will review the type of information you may need to collect to support your customer behaviour analysis efforts. We will work with you to consider the following factors from the perspective of how much information is needed to support your customer behaviour analysis efforts.



Most companies are still in the early stages of understanding and using behavioural information.

BI 4 Retail covers the broad spectrum of behavioural information in both the psychographics portions of the product and the product catalogue segmentation portion of the product.

Best Practice for Customer Bonding and Market Sensing

BI 4 Retail

Details for Business Managers

Best Practice for Customer Bonding

There are a wide range of practical means that can be adopted to enhance customer bonding. We use the following checklist (and more) to assess areas for improving customer bonding for your company.

These ideas have applied to online information such as bank balances to the location of parcels being Fed-exed.

In the early days of such information being available it is a competitive advantage, in the later days, it is a competitive necessity. No bank can operate today without auto-tellers.

Key Ideas

- Develop links between all functions and customer queries.
- Develop the capability to use information for selling.
- Measure customer satisfaction on information issues.

Market Sensing

Enhancing the ability to listen to the customer and listen to the market can be called 'Market Sensing'. Our clients often choose to improve their 'Market Sensing' capability. Competitive reporting can be as valuable as reporting internal figures.

We will work with you to determine your company's capabilities in market sensing by asking such questions as:

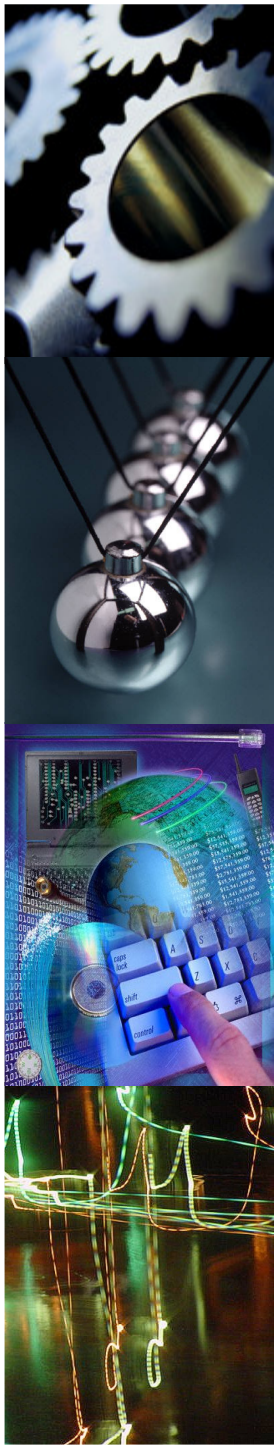
- How unique are the insights into the market that are influencing your organisation?
- How are competitors perceived in the market?
- How well are competitors actions monitored?

Gaining advantage from Market Sensing

We believe that six steps are critical to realizing the full potential of market sensing.

- Make good use of market research.
- Think creatively about how to engage respondents so that insights are likely to be unique.
  - Endeavour to make sure what you find out from the market will not be easy for your competitors to find out.
- Institute customer contact programs.
- Incorporate competitor analysis into the development and refining of your mental model of the marketplace and develop foresight.
- Move to a process of project based organisational structure so that functional barriers to creating customer value are minimised.
- Ensure that information systems provide an understanding of business activity at customer level.

BI 4 Retail has been designed and built to support many of these capabilities, to see what else is happening in the marketplace and combine that information effortlessly with your own internal information.



Co-Configuration
The 'Next Wave' of
'Getting Close to the Customer'

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Co-Configuration

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Details for Business Managers

Co-Configuration - Why Bother?

Because adding customer intelligence value to products and services will be a major new source of competitive advantage in the 21st century.

The era of 'mass-customisation' is coming to a close, with many companies not even there yet.

Co-Configuration is the process of engaging the customer in the very process of product usage over time, not just product development. Such products customise themselves in response to the customers needs and preferences as they change.

More and more products that can be sold via retailers can be co-configured. The level of co-configuration can range from low to high. And more items can be co-configured than might be obvious.

Take 'fashion' or 'clothing' as an example. To believe that clothing cannot be 'co-configured' is to miss the 'bigger picture'. While it is true, the individual item itself is not commonly co-configured today (though these days are surely coming) the 'entire wardrobe' of the customer can most certainly be co-configured.

If the customer can be persuaded to share with a fashion retailer all the items in the wardrobe in return for sensitive and reasonable offers for 'filling the gaps' or 'new season fashion' the retailer is 'co-configuring' the wardrobe!!

By knowing the contents of the wardrobe the retailer will have an unassailable competitive advantage. The retailer will know the 'gaps' in the wardrobe as well as a great deal about the customers preferences. This information can be used to propose new items of fashion which are more likely to be to the customers preference.

Products That Can be Co-Configured

More and more products today can be co-configured. The leading retailers are moving apace in this direction.

A great example is the iPod. Not only can the software on the iPod itself be updated to provide new features and functions, the songs downloaded are the ultimate in co-configuration.

Apple knows what music, tv etc the customer prefers, and so is in an unassailably strong position when recommending new songs for purchase or new models of iPod with new features.

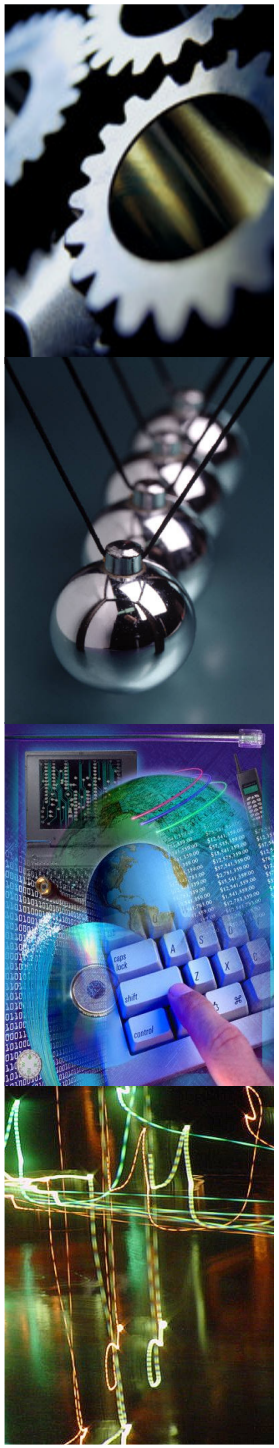
MP3 players, video and still cameras, video games, pushbikes, computers, even hearing aids can be co-configured.

Retailers are able to enter into agreements with product manufacturers to provide download services for co-configuring products and services thus learning what the customer is actually doing with the product such that future offers can be customised in accordance with the customers use of the product.

More importantly, because you sell a range of products from different manufactures you are in a position where you can sell the customer other manufactures products to fill out the category that the customer is buying in.

If a customer buys a specific type of digital camera, a retailer might ask the question, "What model colour printer do you have to print your digital photos?" If the answer is one that will not print the photos from the camera very well, the retailer could offer a range of printers for digital photographs.

This type of 'category co-configuration' is applicable for almost every retailer because virtually every retailer sells products across categories.



BI 4 Retail
Coverage of Information

Public Information
Version 1.2: 1/1/2014

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Coverage of Information

BI4 Retail Coverage

BI4 Retail contains a very broad range of information that is defined to the system 'out of the box'. There are three 'areas' of information which are provided as standard in BI 4 Retail. These are:

- General Mass Market Information
- Retail Business Information
- Web Business Information

General Mass Market Information

The information defined to be General Mass Market Information in BI4 Retail is as follows:

- Campaign Management
  You can define campaign groups, campaigns and sub campaigns. You can define any new business initiative designed to affect the companies profitability as a campaign, not just sales campaigns.
  All out/in bound communications can be recorded and measured for campaign effectiveness.
- Marketing and Sales functions
  You can store all promotion information and sales transactions for all customers as well as all customer information that you collect.
- Customer Account Management
  If you allow your customers to have 'accounts' that they can buy against such as a some form of 'charging' account you can store all information about customer accounts.
- Credit Scoring/Risk/Blacklists etc
  You can store information about customer credit scoring, black lists, the risk factors of a customer with respect to credit.

General Mass Market Information

- Customer Behaviour Analysis
  You can define customer behaviour codes and assign them to customers to be able to score customer behaviour according to any behaviours you would like to identify.
- Relationships between parties
  Parties are primarily customers but can also be suppliers, employees, prospective customers, households. Any person, company, household can be a party. And these parties are related. People are related to each other, to households, to companies. And these relationships can be valuable in promoting products and services.
- Product Catalogue Segmentation
  This area contains all the data and the processing required to perform Product Catalogue Segmentation based on sales transactions of individually identified customers. You can have up to 64 Segments and customers can purchase across any number of these segments in a period. This is especially important when looking for product affinity to segments.
- Invoices/Payments
  All Retailers issue invoices or payment slips to customers. If the customer holds an account against which they are invoiced this area stores the invoices and the payments. If no invoice is issued then only the payment information may be filled in.
- Deliveries/Returns
  All Retailers know the issues of deliveries and returns. This area records all deliveries and returns to assist you to optimise these processes.

Coverage of Information

BI 4 Retail

Details for Business Managers

General Mass Market Information

- Accounts Payable/Vendors
  All Retailers have vendors and accounts payable processing. This area allows you to store all your accounts payable invoices, accounts, vendors, transactions and payments so that you can more effectively manage your vendor relationships. Many vendors offer volume purchase agreements and discounts, but only if you can prove how much you purchased! The vendors are somewhat reluctant to calculate your discounts for you!
- Accounts Receivable
  All Retailers have an accounts receivable department working on collecting money from any customers who are able to buy on credit extended by the company.
- General Ledger
  All Retailers have a General Ledger which is used to manage the business from a financial point of view. This area allows you to put data from the general ledger into BI 4 Retail to be able to more effectively compare the impact of Business Initiatives on the companies profitability.
  Often, profitability can only be reasonably accurately measured at the General Ledger level as this is often the only place where overhead costs are recorded.

Retail Business Information

The major item of most interest in managing most closely for retailers is the supply chain and all actions that are occurring through the supply chain. This is because most retailers operate on narrow margins and product in the supply chain is one of the areas of greatest cost and hence one of the areas where greatest profit improvement can be achieved.

In addition to the General Mass Market information we also store the following retail specific information in BI4 Retail:

- Purchase Requisitions
  Prior to actually placing the order with a vendor most retailers go through a process of raising a Purchase Requisition that needs to be authorised before the Purchase Order can be placed. This area contains all data relevant to Purchase Requisitions.
- Blanket Purchase Agreements
  Many retailers have special Purchase Agreements where substantial amounts of product can be purchased against a pre-approved Purchase Agreement. These are often called 'Blanket Purchase Agreements'. This area contains all the data relevant to such special Purchase Agreements.
- Purchase Agreements
  Most of the purchasing performed by Retailers is against a specific Purchase Agreement. This area contains all the data relevant to Purchase Agreements that are not covered by the Blanket Purchase Agreements.
- Purchase Orders
  Once a Purchase Agreement has been raised orders can be placed against the Purchase Agreement. A Purchase Order is generally a legal commitment to complete the purchase. This area contains all the data related to Purchase Orders.

Coverage of Information

BI 4 Retail

Details for Business Managers

Retail Business Information

- Inventory Item Receipts
  After the Purchase Order is placed the vendor will deliver the products purchased to an Inventory Location. This is generally recorded as the Inventory Item that is being managed has been receipted at an inventory location. BI 4 Retail has an area to store all Inventory Item Receipts even when these Receipts are only the movement of an Inventory Item from one Inventory Location to another within the company.
- Inventory Item Exits
  As the item moves within the internal supply chain management process of your company any exit from an Inventory Location is recorded. This allows you to track at a detailed level the inventory movements and analyse this movement over time to optimise the volumes of inventory and processing of inventory.
- Inventory Location Measures
  Managing Inventory is so important that we have also included detailed sets of measures for every Inventory Location. This will include understanding the Inventory Position of each Inventory Location on a periodic basis, usually weekly though it can also be daily or monthly.
- Sales by Outlets
  For retailers we include a special sales tables to capture much more detailed information about the sale and the outlet that the sale was made through. For Retailers the usual outlets are Store, Catalogue, Web and Direct call to the sales center.

Retail Business Information

- Warranty Claims and Fulfilment
  In Retailers the issues of Warranty Claims and the fulfilment of the Warranty Claim either by replacement or by refund is a relatively simple problem.
  In a 'store' retailer the goods are returned to the store by the customer and in most cases a replacement product is at hand or the refund is given directly to the customer. Also, the item can be inspected by the retailers staff 'on the spot' to determine the validity of the return.

  In a Catalogue Retailer none of this is true. The product is usually only returnable by mail/courier at significant cost. So the process of managing returns must be managed much more closely to ensure that customers are not taking advantage of your companies return policy.

- Product Return to Vendor
  If products are returned that are genuinely found to be defective Retailers want to track such occurrences closely. Perhaps a vendor is having their own internal quality control issues? Perhaps another vendor should be sought? Perhaps penalties apply for volumes of returns and these penalties need to be collected on?
  This area contains all the detailed data about products that are actually returned to the vendor.

Coverage of Information

Web Business Information

- Web Site Definition
  The first thing that needs to be recorded for web sites is the structure and content of the web site itself. All the pages that are on the site and how they are related is required for analysis of the usage of the site.
- Subscribers/Subscriptions/Memberships
  In most cases we recommend that web sites require the customer to log into the site in order to place an order. It is often beneficial to ask the member to log into the site in order to browse the products because then you can see what the individual customer browses and you can be sure of who the customer was.
  This is the equivalent of being able to see the customers eyes as they walk through your store, a great benefit in understanding what the customer is interested in.
  You may call a person who registers to your site a 'member' or a 'user' or a 'customer'. We have given the name 'Subscriber' to person who registers to a web site. We have done this to keep the term the same across many different businesses.
  Retailers frequently have 'newsletters' or other items they mail our to Subscribers on a web site. We call any service that is repetitive and requires some form of permission on a web site a 'subscription'.
  This is the area where all the Subscriber and Subscription information is collected.
- Site Hits and Sessions
  Once you have the web site defined and subscribers, your subscribers will interact with your web site. All the site hits and 'sessions' (period between logon and logoff) are recorded for later analysis. You can use this to do such things as to look at what items customers browsed but did not buy.

Web Business Information

- Downloads
  On your web site you might have detailed pictures of products or detailed documents of product specifications that your customers can download when considering purchasing the product. If you have any downloads on your site the download activity is recorded in this section of BI 4 Retail.
- Basket Information
  Not all baskets make it to the checkout for orders. Lots and lots of items are put into baskets and taken out again. Or they are put into a basket and abandoned. These actions tell you a great deal about interest in a product by a customer. Any time an item is placed into or removed from a basket that action is recorded in the basket information.
- Wishlists
  Many Retailers create 'Wishlists' or 'Gift Areas' on their web sites. These wishlists provide excellent indicators of purchasing intentions. Any item that is placed into a wishlist is recorded in the Wishlist section of BI 4 Retail.
- Orders and Sales
  When a basket makes it to the checkout and is actually ordered a record is made of the order at the session level. A subscriber may place many orders in the one session. An order many not necessarily be fulfilled. The item may be out of stock. If the order is taken and the sale is confirmed we have created a special sales area just for web stores. It carries a lot of extra information that is unique to a web store.
- Subscriptions/Subscribers measures
  Knowing the value of your subscribers and subscriptions is vitally important. We capture and calculate a large number of measures for Subscribers and Subscriptions and place it into this area of BI 4 Retail.

Coverage of Information - Summary

BI 4 Retail

Details for Business Managers

Summary

Today there are more than 300 ‘tables’ and 5,000 individual fields made available in BI 4 Retail.

It is a comprehensive system that can be customised to your specific needs.

You might imagine we have placed all data a Retailer could possibly want into BI 4 Retail as an ‘out of the box’ product.

There is enough variety between Retailers that it is not possible to have a complete database of ***everything*** that could possibly be of use.

For our current release our focus has been on capturing the information that:

- Supports the ‘Management Decision Making Process’.
- Enables you to compete more effectively in the marketplace.
- Is focused on improving the profitability of the company.

We have run all information considered to be placed into the system through the filter of:

> “What decisions, that would affect the profitability of the company, could be supported by this information?”

We did not include any information, not matter how ‘nice to have’, if the combined development team could not table a realistic scenario where decisions would be made based on the information. We believe this is an excellent filter.

We know there is more information that you ‘might like to have’ that did not meet our initial selection criteria. We have taken the approach that we can add more data to the system quickly and easily.

You can rest assured that should you want more data in BI 4 Retail than we have outlined here we can add it quickly and easily.

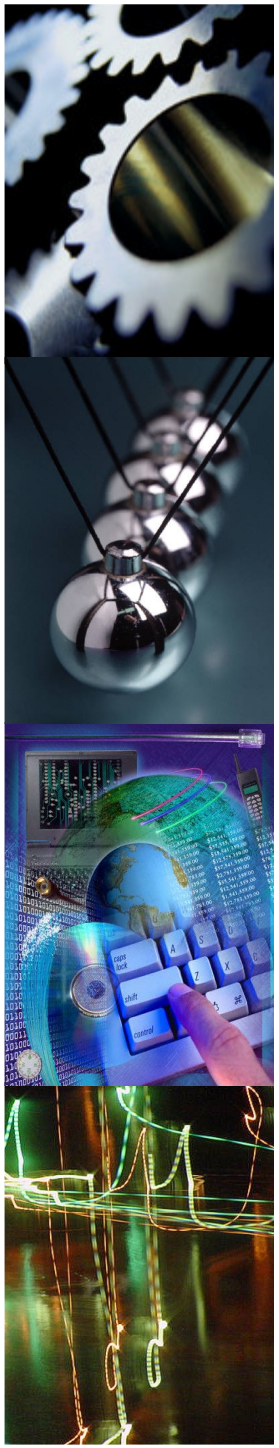
Summary

In most cases, you will not put information into all the possible areas of BI 4 Retail. As a part of our consulting process we will work with you to identify the highest and fastest payback areas and we will prioritise which information is delivered in what order.

In this way, you will receive the fastest and largest return on investment sooner.

It is expected that over time, you will put data into many portions of BI 4 Retail as well as adding some areas of information that are unique to your business.

We know that if you review the coverage of information inside BI 4 Retail and compare it with any other product, or compare it with ‘starting from scratch’ yourself, you will find it is the most complete and comprehensive Business Intelligence system available to Retailers today.



BI 4 Retail
Coverage of Standard Reports

Public Information
Version 1.2: 1/1/2014

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Coverage of Standard Reports

Coverage of Standard Reports

Today there are more than 300 'tables' and 5,000 individual fields made available in BI 4 Retail.

You will not put data into all these tables for months, years, and perhaps ever for some of them!

We have created a system that is an extremely broad and effective starting point which can be customised to your specific needs.

In many areas it will meet your needs 'out of the box' and in some areas you will want to add more information to the system.

We believe that it is obvious that we cannot write 'a report for every need' as part of the 'out of the box product'. We would be writing hundreds if not thousands of reports if we did that!

The approach we have taken is to:

- Make all the information in the system available for you to query using common 'Ad Hoc Query' tools.
- Develop suites of 'Standard Reports' in the areas of most interest to you.

  We propose that over time we will introduce more and more 'Standard Reports'.

Ad Hoc Query Access

All of the information in BI 4 Retail is visible to all the major Ad Hoc Query Tools because the data is stored in Microsofts database. And virtually all tools can read data from Microsofts database.

Coverage of Standard Reports

Even though we allow full Ad-Hoc Query to the database we also recognise that clients would like some Standard Reports. Many Retailers have already standardised on some specific piece of software for 'Standard Reports'. There are many competing products on the marketplace.

We took many factors into consideration and we chose to use Microsofts reporting product called Report Services.

Because it is from Microsoft you can rest assured that the reports can easily interact with all the Microsoft Office software that you use on a daily basis.

Fore example you can export a report directly to your Excel Spreadsheet if you want to!

If you want to mail a report to a colleague you can save it as a PDF and send it directly to your colleague via your email system.

If you would like our Standard Reports to be converted to your particular reporting product we have staff who have extensive experience in all the leading reporting products.

We are almost certainly able to perform this conversion for you.

The coverage of our 'Standard Reports' is now growing rapidly as we are investing a great deal of time into their development.

Coverage of Standard Reports

Coverage of Standard Reports

We have started development of our 'Standard Reports' exactly where most companies start their improvements when competing with information. Sales and Campaigns. This is because Sales, and the Campaigns to improve sales, are the processes that add the most new revenue and profit the fastest.

Campaign Analysis

This is a suite of reports that allow the detailed analysis of the results of 'Campaigns'. Remember that a Campaign can be any Business Initiative that is intended to affect the profit performance of the company.
In Campaign Analysis we provide reports that perform two types of analysis:

- Plan versus Actual
  These reports show the variation of the plan for the campaign versus the actual achievement of the campaign.
- Over and Under Representation Segment to Group
  These reports show the under or over representation of a specific segment within a campaign when compared to the overall population of the people involved in the campaign.
  This is one of the most important suites of reports because it allows you to quickly and easily identify both those customers that are 'over-represented' and those that are 'under-represented'.
  The idea is that you want to find more customers that are like those that are over-represented and mail to fewer customers who are in the under-represented category.

Sales Analysis

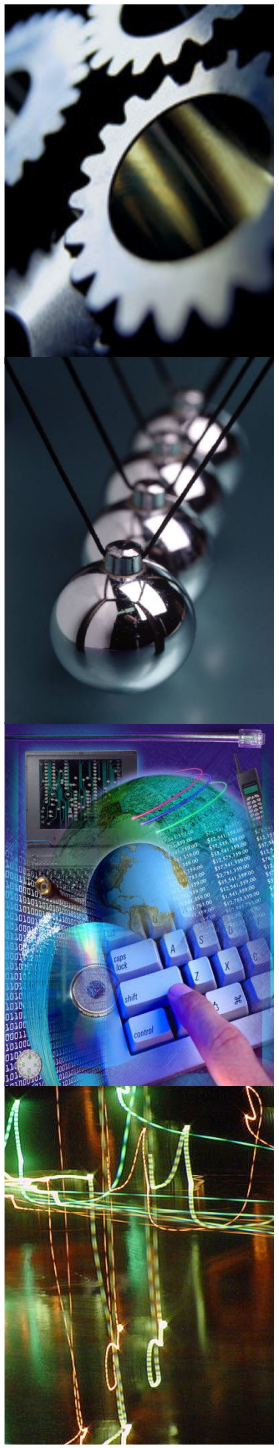
This is a suite of reports that show the overall sales regardless of whether they have been generated from a campaign or not.
This suite of reports also shows the two types of analysis for:

- Plan versus Actual
  These reports show the variation of the plan for the sales versus the actual achievement of sales.
- Over and Under Representation Segment to Group
  These reports show the under or over representation of a specific segment for sales when compared to the overall population of the people who have bought the product.
  This is one of the most important suites of reports because it allows you to quickly and easily identify both those customers that are 'over-represented' and those that are 'under-represented'.
  The idea is that you want to find more customers that are like those that are over-represented and mail to fewer customers who are in the under-represented category.

In all our Campaign and Sales Analysis Reports we provide six standard demographic factors for reporting. More can be easily added.

The ones we provide are the most common, and they are:

- Age / Age Band
- Income / Income Band
- Gender
- Marital Status
- Number of Dependents
- Life Stage



BI 4 Retail
Campaign Analysis Reports

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New Subscription

1 of 1 | 100% | Find | Next | Select a format | Export

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ACPA0200 - Campaign Response Rate Variance Dashboard

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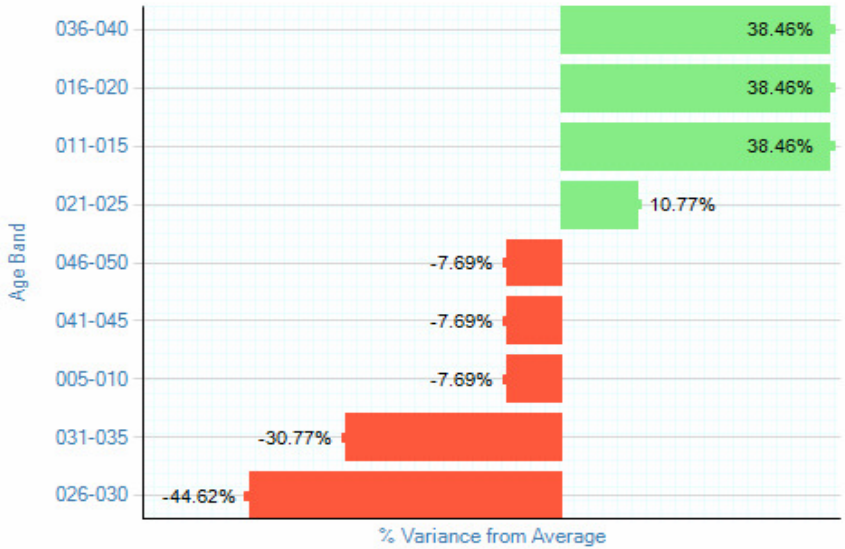
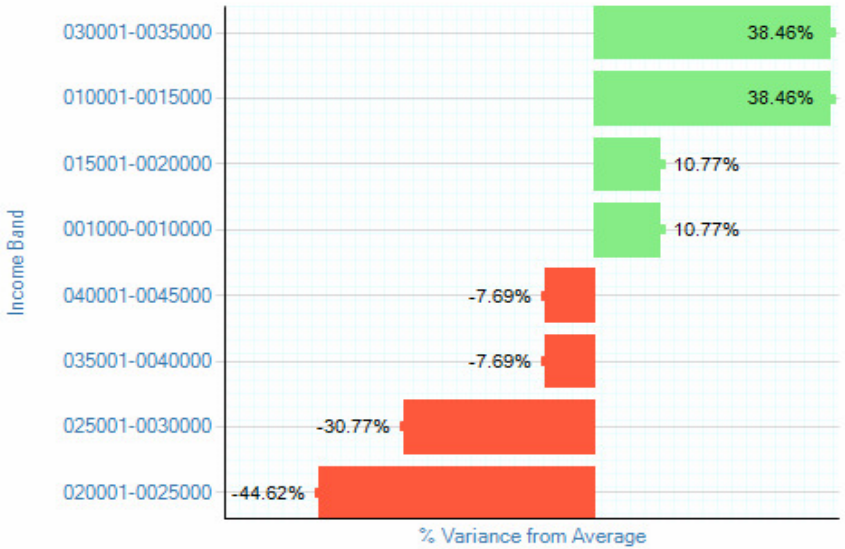
Show Report Parms

Response Rate Over/Under By Age

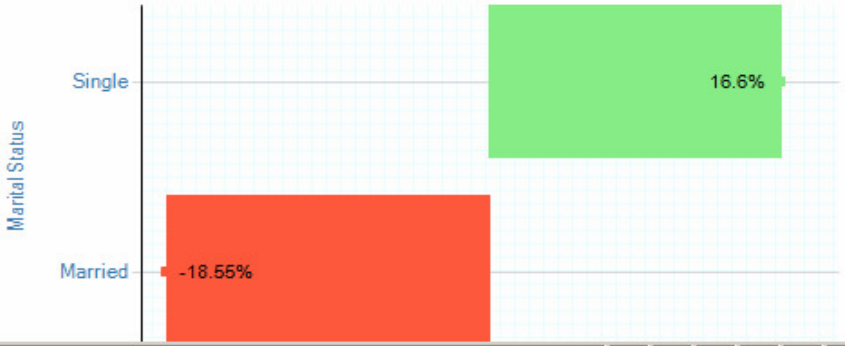


Response Rate Over/Under By Income



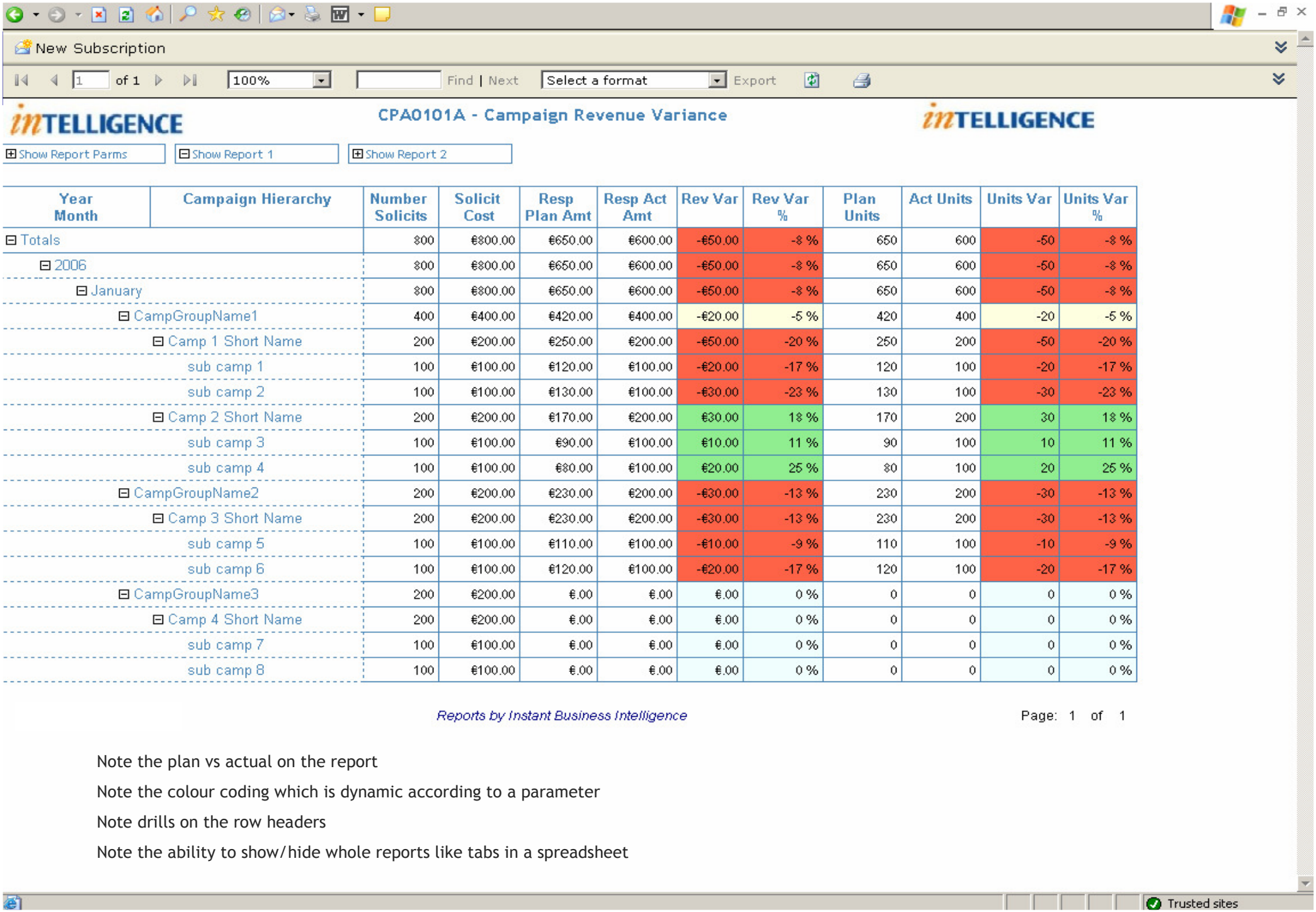
Response Rate Over/Under By Gender

Response Rate Over/Under By Marital Status



Done

Trusted sites



Year Month	Campaign Hierarchy	Number Solicits	Solicit Cost	Resp Plan Amt	Resp Act Amt	Rev Var	Rev Var %	Plan Units	Act Units	Units Var	Units Var %
Totals		800	€800.00	€650.00	€600.00	-€50.00	-8 %	650	600	-50	-8 %
2006		800	€800.00	€650.00	€600.00	-€50.00	-8 %	650	600	-50	-8 %
January		800	€800.00	€650.00	€600.00	-€50.00	-8 %	650	600	-50	-8 %
CampGroupName1		400	€400.00	€420.00	€400.00	-€20.00	-5 %	420	400	-20	-5 %
Camp 1 Short Name		200	€200.00	€250.00	€200.00	-€50.00	-20 %	250	200	-50	-20 %
	sub camp 1	100	€100.00	€120.00	€100.00	-€20.00	-17 %	120	100	-20	-17 %
	sub camp 2	100	€100.00	€130.00	€100.00	-€30.00	-23 %	130	100	-30	-23 %
Camp 2 Short Name		200	€200.00	€170.00	€200.00	€30.00	18 %	170	200	30	18 %
	sub camp 3	100	€100.00	€90.00	€100.00	€10.00	11 %	90	100	10	11 %
	sub camp 4	100	€100.00	€80.00	€100.00	€20.00	25 %	80	100	20	25 %
CampGroupName2		200	€200.00	€230.00	€200.00	-€30.00	-13 %	230	200	-30	-13 %
Camp 3 Short Name		200	€200.00	€230.00	€200.00	-€30.00	-13 %	230	200	-30	-13 %
	sub camp 5	100	€100.00	€110.00	€100.00	-€10.00	-9 %	110	100	-10	-9 %
	sub camp 6	100	€100.00	€120.00	€100.00	-€20.00	-17 %	120	100	-20	-17 %
CampGroupName3		200	€200.00	€.00	€.00	€.00	0 %	0	0	0	0 %
Camp 4 Short Name		200	€200.00	€.00	€.00	€.00	0 %	0	0	0	0 %
	sub camp 7	100	€100.00	€.00	€.00	€.00	0 %	0	0	0	0 %
	sub camp 8	100	€100.00	€.00	€.00	€.00	0 %	0	0	0	0 %

Reports by Instant Business Intelligence

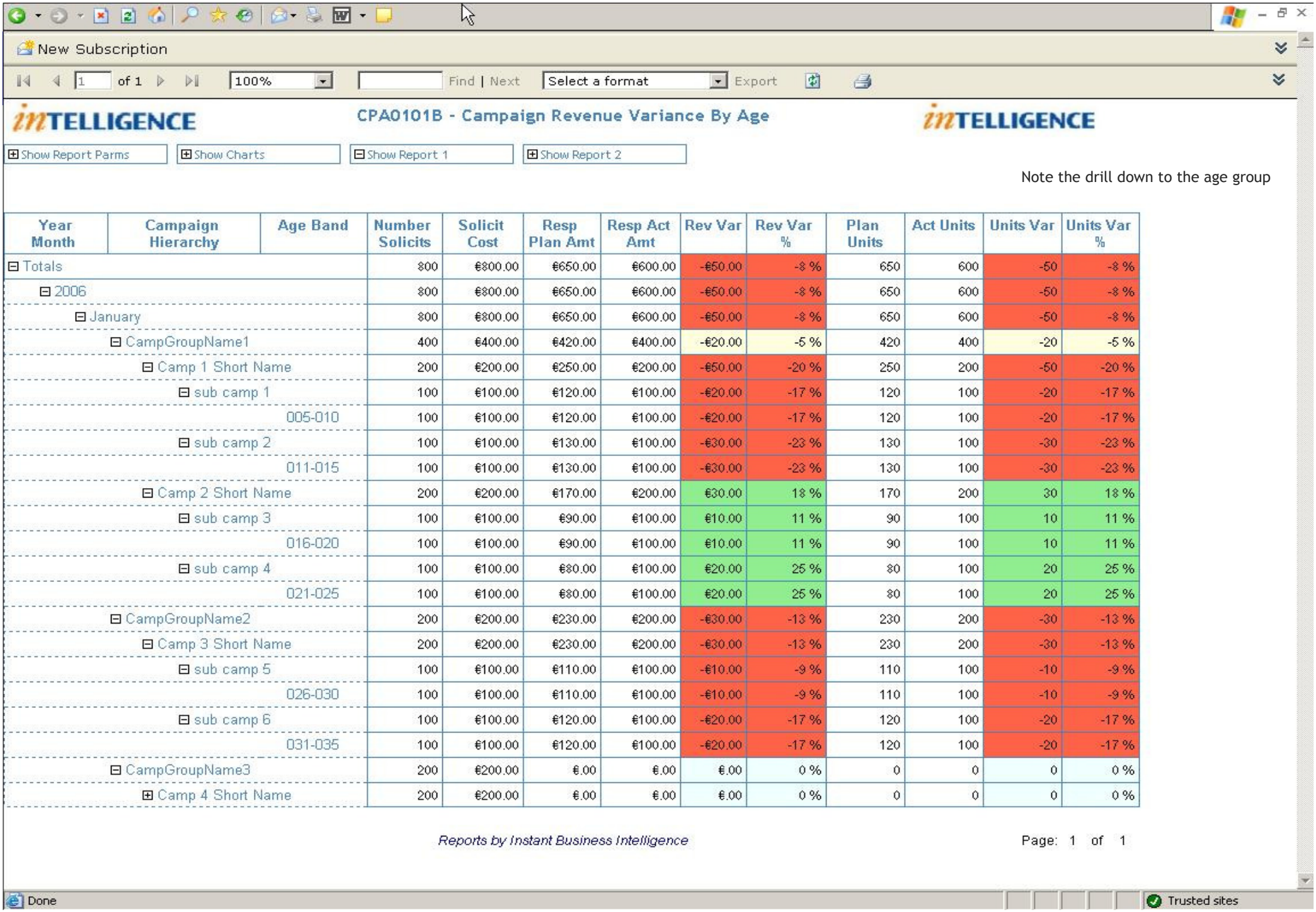
Page: 1 of 1

Note the plan vs actual on the report

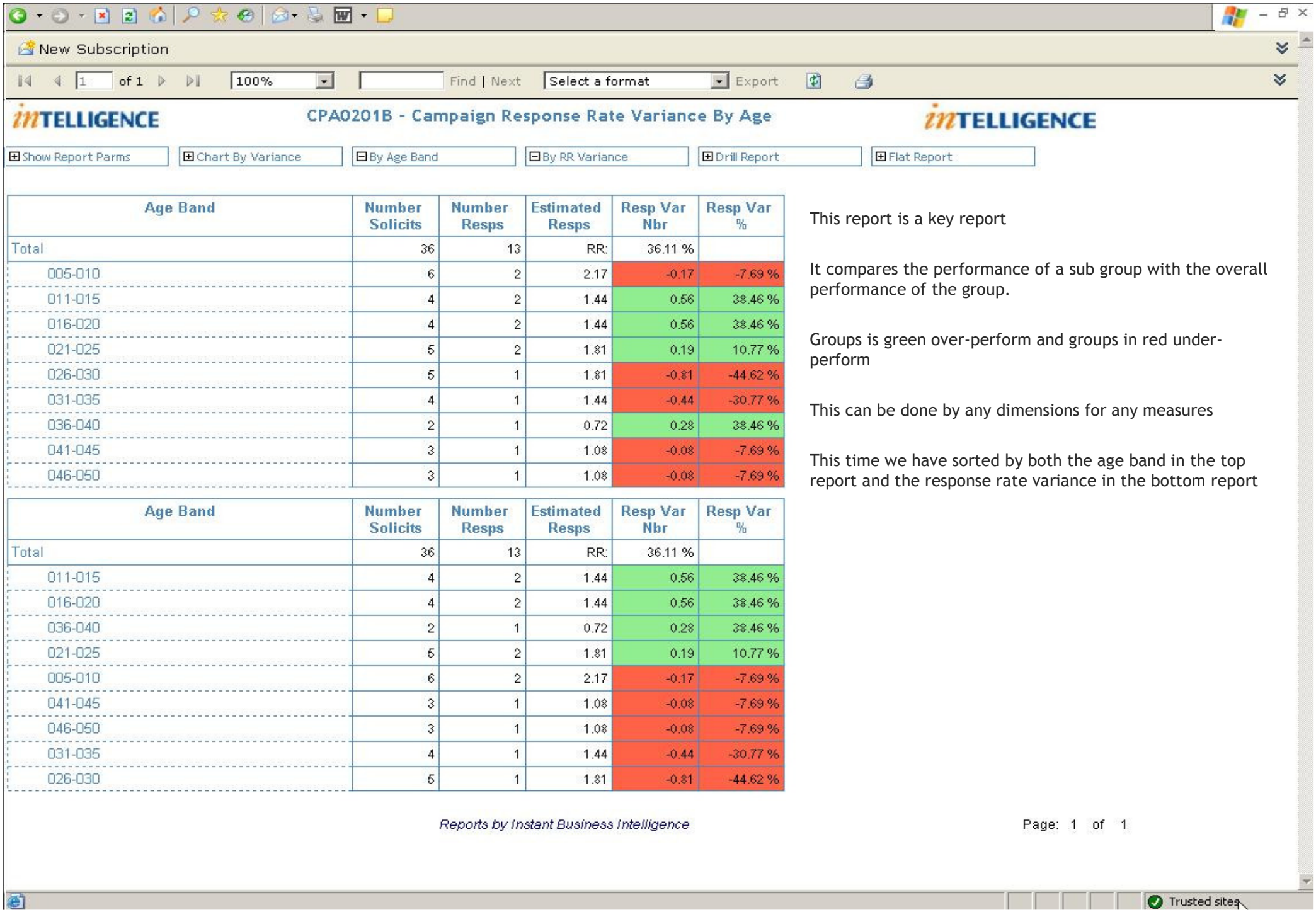
Note the colour coding which is dynamic according to a parameter

Note drills on the row headers

Note the ability to show/hide whole reports like tabs in a spreadsheet



Year Month	Campaign Hierarchy	Age Band	Number Solicits	Solicit Cost	Resp Plan Amt	Resp Act Amt	Rev Var	Rev Var %	Plan Units	Act Units	Units Var	Units Var %
⊟ Totals			800	€800.00	€650.00	€600.00	-€50.00	-8 %	650	600	-50	-8 %
⊟ 2006			800	€800.00	€650.00	€600.00	-€50.00	-8 %	650	600	-50	-8 %
⊟ January			800	€800.00	€650.00	€600.00	-€50.00	-8 %	650	600	-50	-8 %
⊟ CampGroupName1			400	€400.00	€420.00	€400.00	-€20.00	-5 %	420	400	-20	-5 %
⊟ Camp 1 Short Name			200	€200.00	€250.00	€200.00	-€50.00	-20 %	250	200	-50	-20 %
⊟ sub camp 1			100	€100.00	€120.00	€100.00	-€20.00	-17 %	120	100	-20	-17 %
		005-010	100	€100.00	€120.00	€100.00	-€20.00	-17 %	120	100	-20	-17 %
⊟ sub camp 2			100	€100.00	€130.00	€100.00	-€30.00	-23 %	130	100	-30	-23 %
		011-015	100	€100.00	€130.00	€100.00	-€30.00	-23 %	130	100	-30	-23 %
⊟ Camp 2 Short Name			200	€200.00	€170.00	€200.00	€30.00	18 %	170	200	30	18 %
⊟ sub camp 3			100	€100.00	€90.00	€100.00	€10.00	11 %	90	100	10	11 %
		016-020	100	€100.00	€90.00	€100.00	€10.00	11 %	90	100	10	11 %
⊟ sub camp 4			100	€100.00	€80.00	€100.00	€20.00	25 %	80	100	20	25 %
		021-025	100	€100.00	€80.00	€100.00	€20.00	25 %	80	100	20	25 %
⊟ CampGroupName2			200	€200.00	€230.00	€200.00	-€30.00	-13 %	230	200	-30	-13 %
⊟ Camp 3 Short Name			200	€200.00	€230.00	€200.00	-€30.00	-13 %	230	200	-30	-13 %
⊟ sub camp 5			100	€100.00	€110.00	€100.00	-€10.00	-9 %	110	100	-10	-9 %
		026-030	100	€100.00	€110.00	€100.00	-€10.00	-9 %	110	100	-10	-9 %
⊟ sub camp 6			100	€100.00	€120.00	€100.00	-€20.00	-17 %	120	100	-20	-17 %
		031-035	100	€100.00	€120.00	€100.00	-€20.00	-17 %	120	100	-20	-17 %
⊟ CampGroupName3			200	€200.00	€.00	€.00	€.00	0 %	0	0	0	0 %
⊞ Camp 4 Short Name			200	€200.00	€.00	€.00	€.00	0 %	0	0	0	0 %



Age Band	Number Solicits	Number Resps	Estimated Resps	Resp Var Nbr	Resp Var %
Total	36	13	RR:	36.11 %	
005-010	6	2	2.17	-0.17	-7.69 %
011-015	4	2	1.44	0.56	38.46 %
016-020	4	2	1.44	0.56	38.46 %
021-025	5	2	1.81	0.19	10.77 %
026-030	5	1	1.81	-0.81	-44.62 %
031-035	4	1	1.44	-0.44	-30.77 %
036-040	2	1	0.72	0.28	38.46 %
041-045	3	1	1.08	-0.08	-7.69 %
046-050	3	1	1.08	-0.08	-7.69 %

Age Band	Number Solicits	Number Resps	Estimated Resps	Resp Var Nbr	Resp Var %
Total	36	13	RR:	36.11 %	
011-015	4	2	1.44	0.56	38.46 %
016-020	4	2	1.44	0.56	38.46 %
036-040	2	1	0.72	0.28	38.46 %
021-025	5	2	1.81	0.19	10.77 %
005-010	6	2	2.17	-0.17	-7.69 %
041-045	3	1	1.08	-0.08	-7.69 %
046-050	3	1	1.08	-0.08	-7.69 %
031-035	4	1	1.44	-0.44	-30.77 %
026-030	5	1	1.81	-0.81	-44.62 %

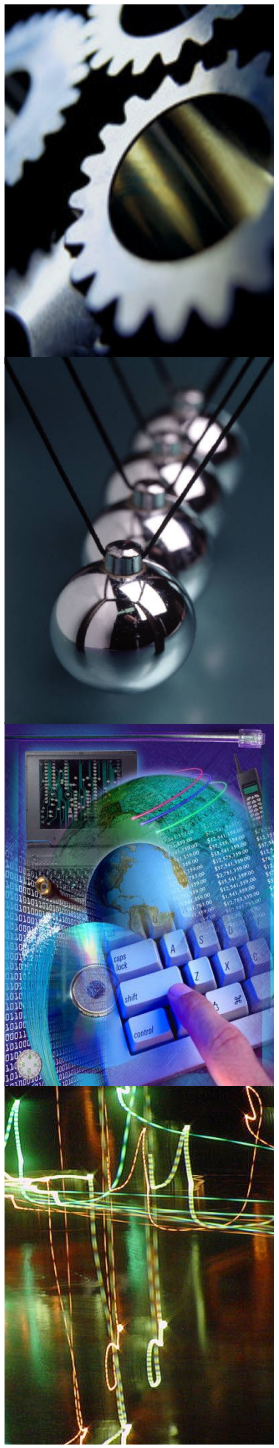
This report is a key report

It compares the performance of a sub group with the overall performance of the group.

Groups is green over-perform and groups in red under-perform

This can be done by any dimensions for any measures

This time we have sorted by both the age band in the top report and the response rate variance in the bottom report



BI 4 Retail
Sales Analysis Reports

Public Information
Version 1.2: 1/1/2014

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SAA0100C - Sales Revenue And Units Variance by Product

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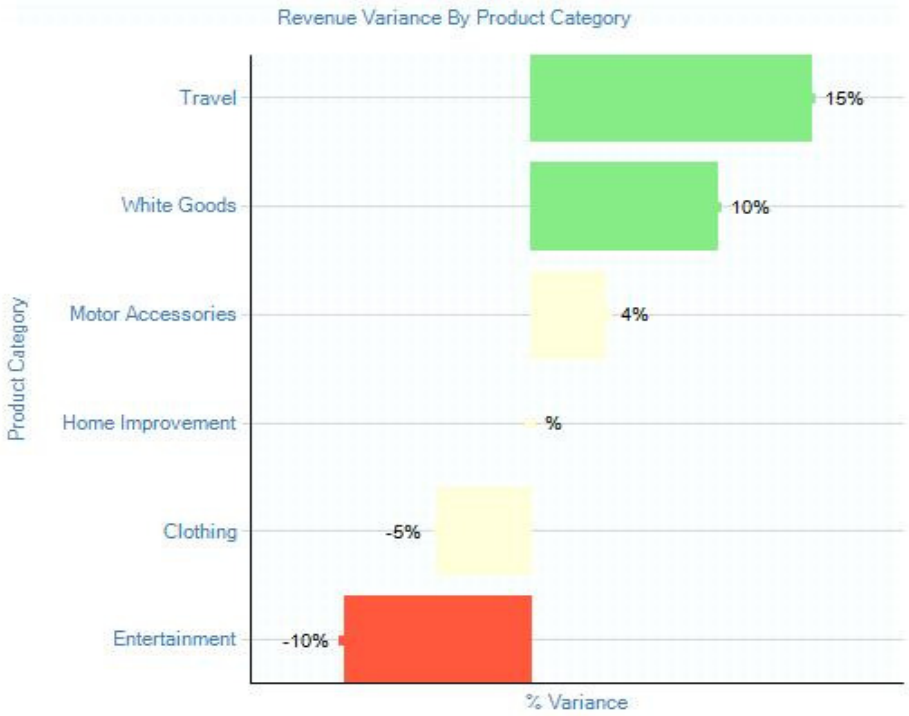
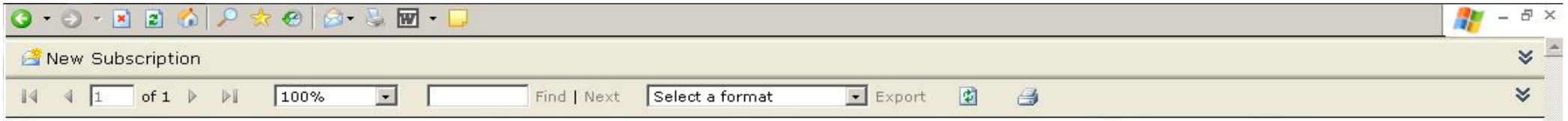
Show Report Parms | Show Charts | Show Drill Report 1 | Show Drill Report 2 | Show Flat Report 1 | Show Flat Report 2



Reports by Instant Business Intelligence

Done | Trusted sites



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SAA0100C - Sales Revenue And Units Variance by Product

inTELLIGENCE

Show Report Parms | Show Charts | Show Drill Report 1 | Show Drill Report 2 | Show Flat Report 1 | Show Flat Report 2

Year Month / Product Hierarchy	Plan Unit Amount	Act Unit Amount	Plan Sales Amt	Act Sales Amt	Rev Var	Rev Var %	Plan Units	Act Units	Units Var	Units Var %
Totals	€11,100.00	€11,100.00	€11,100.00	€11,280.00	€180.00	2 %	11100	11280	180	2 %
2006	€11,100.00	€11,100.00	€11,100.00	€11,280.00	€180.00	2 %	11100	11280	180	2 %
July	€3,700.00	€3,700.00	€3,700.00	€3,390.00	-€310.00	-8 %	3700	3390	-310	-8 %
Clothing	€1,000.00	€1,000.00	€1,000.00	€900.00	-€100.00	-10 %	1000	900	-100	-10 %
Entertainment	€1,500.00	€1,500.00	€1,500.00	€1,350.00	-€150.00	-10 %	1500	1350	-150	-10 %
Outside	€1,500.00	€1,500.00	€1,500.00	€1,350.00	-€150.00	-10 %	1500	1350	-150	-10 %
Dining	€1,500.00	€1,500.00	€1,500.00	€1,350.00	-€150.00	-10 %	1500	1350	-150	-10 %
Garden Setting	€1,500.00	€1,500.00	€1,500.00	€1,350.00	-€150.00	-10 %	1500	1350	-150	-10 %
Home Improvement	€1,200.00	€1,200.00	€1,200.00	€1,140.00	-€60.00	-5 %	1200	1140	-60	-5 %
Outdoor	€1,200.00	€1,200.00	€1,200.00	€1,140.00	-€60.00	-5 %	1200	1140	-60	-5 %
Timber	€1,200.00	€1,200.00	€1,200.00	€1,140.00	-€60.00	-5 %	1200	1140	-60	-5 %
300cm Pine Rod	€1,200.00	€1,200.00	€1,200.00	€1,140.00	-€60.00	-5 %	1200	1140	-60	-5 %
August	€3,700.00	€3,700.00	€3,700.00	€3,760.00	€60.00	2 %	3700	3760	60	2 %
September	€3,700.00	€3,700.00	€3,700.00	€4,130.00	€430.00	12 %	3700	4130	430	12 %
Motor Accessories	€1,000.00	€1,000.00	€1,000.00	€1,100.00	€100.00	10 %	1000	1100	100	10 %
Protection	€1,000.00	€1,000.00	€1,000.00	€1,100.00	€100.00	10 %	1000	1100	100	10 %
Furnishings	€1,000.00	€1,000.00	€1,000.00	€1,100.00	€100.00	10 %	1000	1100	100	10 %
Car Cover	€1,000.00	€1,000.00	€1,000.00	€1,100.00	€100.00	10 %	1000	1100	100	10 %
Travel	€1,200.00	€1,200.00	€1,200.00	€1,380.00	€180.00	15 %	1200	1380	180	15 %
Domestic	€1,200.00	€1,200.00	€1,200.00	€1,380.00	€180.00	15 %	1200	1380	180	15 %
Fare	€1,200.00	€1,200.00	€1,200.00	€1,380.00	€180.00	15 %	1200	1380	180	15 %
Dublin Tour	€1,200.00	€1,200.00	€1,200.00	€1,380.00	€180.00	15 %	1200	1380	180	15 %
White Goods	€1,500.00	€1,500.00	€1,500.00	€1,650.00	€150.00	10 %	1500	1650	150	10 %

New Subscription

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Sales Units by Cities - Germany

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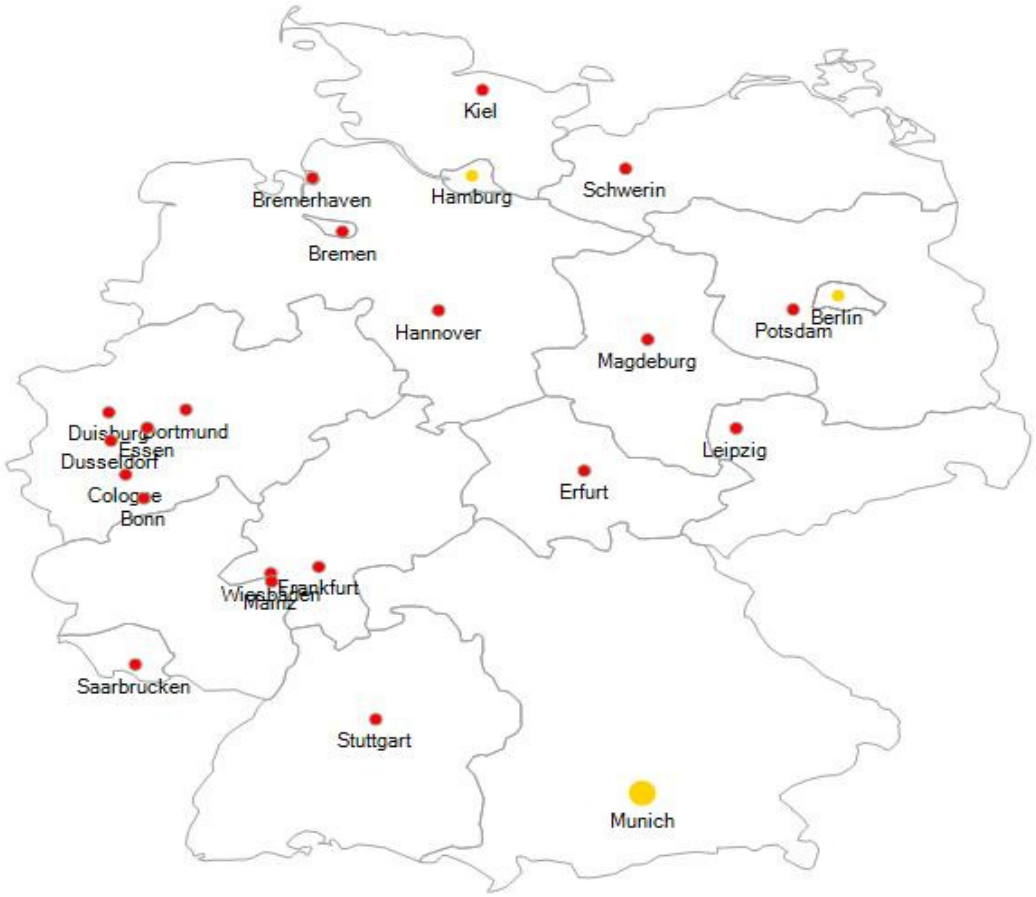
Show Report Parms



We are working on many new and innovative reports

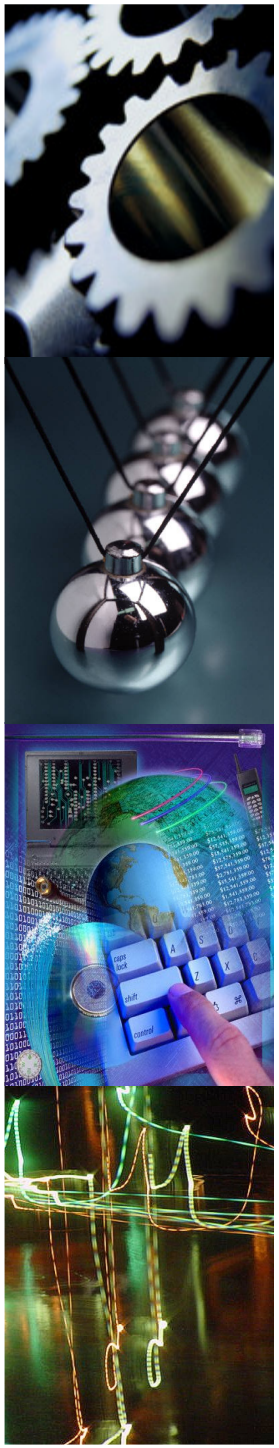
For example, with recently released software we are now working on a mapping component.

In the map opposite it is possible to show the volume of sales for a city by the size of the circle. It is also possible to ‘drill through’ the map to a report about any city.

Of course, it is also possible to colour in the states with the relative sales performance and then be able to drill through to the underlying reports for each of the states.

Done

Trusted sites



BI 4 Retail
Business Value

Public Information
Version 1.2: 1/1/2014

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Business Value

BI 4 Retail

Details for Business Managers

Business Value

Courtesy of Donald Marchand we have finally been given a detailed text of one approach and value of 'Competing with Information'.

Marchands book is full of examples and case studies of companies who have derived value when 'Competing with Information'.

We would highly recommend this text to any Senior Manager of a Retailer to assist him/her understand what is now possible in terms of using information for competitive advantage.

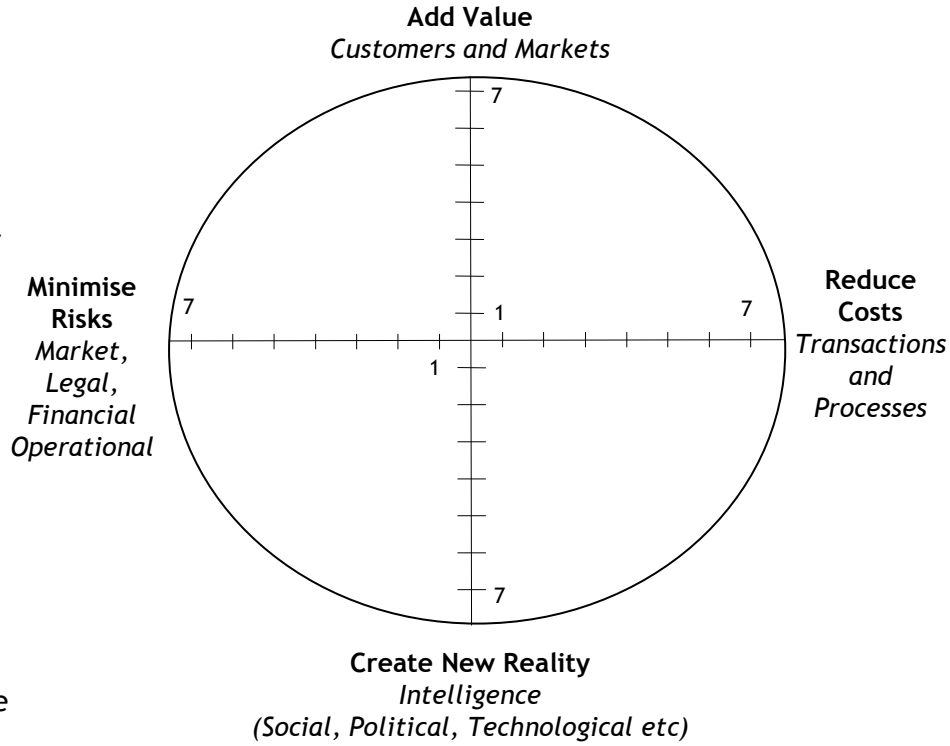
Simply put, a well focused and well executed investment in a system like BI 4 Retail will pay for itself in months. Business Intelligence systems are the single fastest payback technology investment that can be made by a company.

Similarly, an unfocused and poorly executed investment in Business Intelligence will only generate a return on investment if you happen to 'get lucky'. Some do. Most do not.

The responsibility is with the Project Sponsor to satisfy himself/herself that the consultants being engaged have the skills required.

Remember, in 2008, consultants proposing Business Intelligence Systems without extensive amounts of pre-built components like BI 4 Retail are very likely in the group producing the 50% of failures.

The most important ingredient in getting the business value out of a Business Intelligence project is the Business Consultant(s) who will take you through the learning curve of 'Competing with Information'.



Projects that are aimed at improving an organisations capability along any one, or more, of the 4 Axes of the Strategic Information Alignment Framework is almost certain to produce a significant return on investment.

In terms of Business Value, of course, we have our own 'case studies' that we can share. And we have shared some of these in this section.

Business Value – Case Studies

BI 4
Retail

Details
for
Business
Managers

Business Value - Case Studies

Competitive Bidding

- Situation
  - A national distribution company is bidding on a 5 year deal to deliver a publishers publication to 7,000 outlets per week. (1.8M deliveries!!)
- Solution
  - Promise the publisher that sales figures from close of business will be available on sales managers desktops by 9am the next business day.
- Value
  - Beat out competition for the tender. BI project pays back ***before completed*** because first year tender value exceeded cost of project many times over.

Optimisation of Distribution of Publications

- Situation
  - Large publisher distributes 92 titles to 7,000 outlets. Major titles are distributed weekly.
- Solution
  - Create forecasting mechanism to calculate how many copies of which publications should be distributed to each outlet.
- Value
  - Over a period of 2 years market share increases from 38 to 43%. Advertising revenues lifted in line with share increase. Publisher doubles gross profit on a flat cost base. Owner calls the company 'the jewel in the corporate crown'.

Optimisation of Revenue of Air Cargo Capacity

- Situation
  - National Carrier has unused air cargo capacity as well as other areas of business that management feel may be better optimised.
- Solution
  - Integrate data from many sources to be able to analyse then optimise the business.
- Value
  - CEO of Cargo division calls the project 'the most successful and valuable IT project ever undertaken by the company'.

Target Marketing

- Situation
  - Direct Marketing budget substantially reduced.
- Solution
  - Develop Direct Mail Model, combining segmentation analysis and product usage research.
- Value
  - Target marketing reduced direct mail costs by $3M.
  - Revenue produced remains the same as before the cut in direct mail budget.

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Business Value – Case Studies

BI 4
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Details
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Product Rationalisation

- Situation
  - Half the product line found to be unprofitable due to low number of clients and low premium payments
- Solution
  - Launch "Product Rationalisation". Cut the number of products by half. Leads to "Business Simplification"
- Value
  - Largest business project ever undertaken by 100 year old company. Millions of $$ of increased profit.

Target Marketing

- Situation
  - Legislation changes causes confusion for tens of thousands of people over whether to retire.
- Solution
  - Profile customer database, select all those people who would benefit from retiring before legislation change and target them for rollover products.
- Value
  - $440M deposited into rollover fund. Some $300M up on product managers forecast. $4M/year additional profit from the one campaign.
  - Extremely positive customer satisfaction ratings from the pro-active campaign.

Cross Selling

- Situation
  - Customer wishes to cross-sell existing clients
- Solution
  - Provide analysis capability to profile existing clients to determine who owned the product. Use DW to select similar targets who did not own the product.
- Value
  - Response rate for new product purchase by people who never purchased a product from the company by direct mail is ***18%.***
    (As opposed to 2% for third party mailing list. 9x!)

Up Selling

- Situation
  - Customer wishes to up-sell existing clients
- Solution
  - Provide ability to profile and select existing customers to offer product upgrades.
- Value
  - Response rate for upgrades using direct mail is 33%

Business Value – Case Studies

BI 4
Retail

Details
for
Business
Managers

Variance Analysis

- Situation
  - Senior management does not receive timely P&L report
- Solution
  - Provide easy to use tools - access to revenue/expense database. Management conducts own variance analysis by dept, division, and bank
- Value
  - $2M increase in net income from more timely management decisions

Cost Management

- Situation
  - Cut corporate spending by 10%. Implement program within 3 months.
- Solution
  - Create flexible applications for 285 departments to analyse expense data.
  - Support senior management summary reports, consistent with department details.
- Value
  - Cut expenses by 10% - or $100M - from prior year

Resource Allocation

- Situation
  - Misallocation of departmental expenses increases costs
- Solution
  - Combine revenue, expense, headcount and asset/liability information into one database.
  - Provide easy to use tools for access by all levels of management.
- Value
  - $7 Million increase in net income through better resource allocation

Profitability

- Situation
  - Unprofitable retail customers are causing drain on resources
- Solution
  - Use Customer Information System and product profitability to build customer profitability model
- Value
  - Use model to reprice products and create household pricing. Increase net income by $20M.

Business Value – Case Studies

BI 4 Retail

Details for Business Managers

Segmentation

- Situation
  - Marketing did not know what kind of customers were using services
- Solution
  - Combine Customer Information System with cluster-demographics to build customer profiles by product and market area.
- Value
  - Developed products to meet needs of customers.
  - Increase net income by $3 million.

Business Value of BI 4 Retail

Perhaps the best way to explain the value of BI 4 Retail is this.

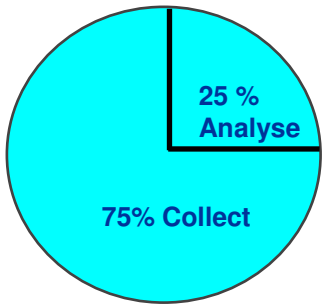
Most of your business analysts will spend 75% of their 'analysis time' collecting information not analysing it! They will collect data from multiple different places, cut and paste it into their spreadsheets to draw some new charts to try and develop some new ideas and insights to improve profitability.

They will only spend 25% of their analysis time actually analysing the information and ***thinking*** in order to come up with new ideas to compete in the marketplace.

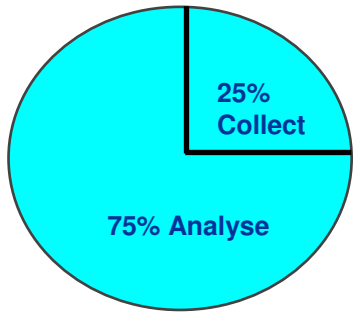
With BI 4 Retail these numbers are typically reversed. This is an up to ***3 times productivity improvement*** of your 'best and brightest'!!

Company after company find that if they give their 'best and brightest' more time and more capability to come up with new ideas to beat the competition, ***they do***.

This is perhaps the biggest single greatest value of BI 4 Retail.



No BI4Retail



With BI4Retail

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Gaining Business Value – Where to Start?

Gaining Business Value - Where to Start?

BI 4 Retail covers a broad range of areas for retailers. You could start at any axis of the Strategic Information framework.

Our consultants can work with you to determine which area, or areas, you might first choose to improve.

So, the 'place to start' is to engage our Business Consultants to review you current capabilities and to develop proposals for the areas where the combined project team believe the greatest value can be found for your company.

You might say:

> "I already know the area we would like to first improve!"

Many of our clients start with 'Sales and Marketing' and 'Campaign Management' because these two areas are the ones that bring new revenue and new profit into the company in the fastest timeframe.

There is no end to the work of figuring out how to sell more products at the best possible profit margin! Next year always brings with it new challenges, new changes and new ideas!

In our experience 75% of BI Systems start in:

- Marketing/Sales
- Customer Information Systems

This is because these areas benefit from integrating data from multiple source systems and they contribute directly to new revenue and profit.

Most of the other 25% of BI Systems start in:

- Performance measurement projects
- Financial reporting and analysis

Places Not to Start?

In our experience areas which are not so valuable to start in are areas like Ledger, Accounts Receivable, HR Management etc. Even though these areas are part of BI 4 Retail!

This is because in most Retailers already have good systems in these areas. Further, the numbers they provide are generally provided to the accounting community whose role is usually more focused on cost containment than revenue generation.

These areas are on the 'Minimise Risks' and 'Reduce Costs' axes of the SIA.

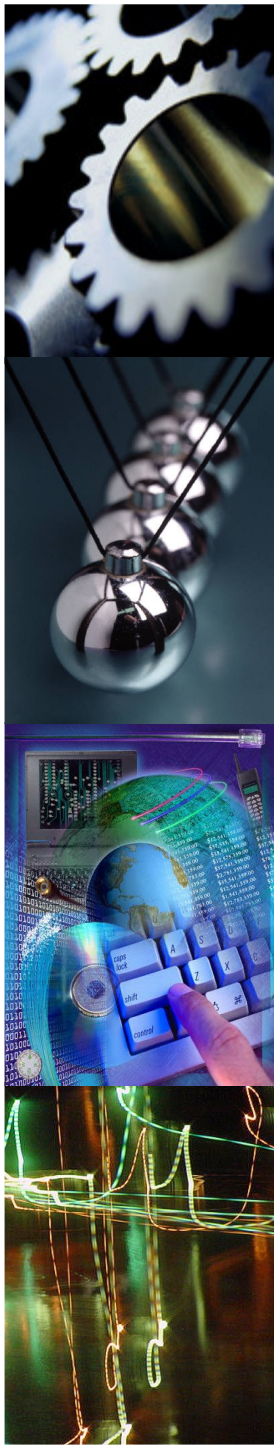
Summary

Experience shows that implementing Business Intelligence Systems like BI 4 Retail is one of the highest Return on Investment Projects a company can undertake.

By leveraging a broad range of information across the company to more effectively compete in the marketplace, company after company has been able to establish significant competitive advantage and to generate increased profit contribution.

BI 4 Retail represents the 'next generation' of these systems.

It is a product ready to be co-configured to meet your exact needs to deliver the greatest possible benefit to your company!



Summary

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Summary

BI 4 Retail

Details for Business Managers

Summary

Retailers face many problems today.

These include and are not limited to:

- Increased number of stores and larger retailers.
- Increased coverage of stores and larger retailers making it faster and easier for your customers to 'go to the mall'.
- The increased competition from stores and larger retailers.
- Increased competition from low cost providers of goods for retail such as China and India.
- Increased competition and ease of purchase from 'internet retailers'. In many cases the larger 'bricks and mortar' retailers are also launching internet stores.
- Pressure on total overall sales.
- Pressure on overall margins.

The Senior Managers of Retailers are looking for ways to compete more effectively in the marketplace.

Business Intelligence System hold great promise, but only if implemented in a focused and structured way.

In 'Competing with Information' Donald Marchand has delivered a great tool for Senior Managers to assess and select how to move forward to more effectively compete in the marketplace.

To develop solutions for our clients we have blended together:

- Our extensive experience with IT over many years.
- Our extensive experience with our clients.
- 'Competing with Information' as a framework.
- Experience shared with us by Global Business Intelligence Consultants.
- Experience we have gained from classes we have attended.
- The BI 4 Retail product.

We are making available to Retailers a broad service offering which includes and is not limited to:

- Business Consulting to determine which portions of the solution will deliver the most profit improvement to your company.
- Development and definition of Business Driven Processes to improve profitability.
- The customisation and implementation of the BI 4 Retail product.
- The hosting of the BI 4 Retail product in our data center.
- Follow on Business Consulting to maximise the results produced by BI 4 Retail once implemented.

We know from experience that our Consulting Services will deliver significant profit improvements to your company in a short period of time.

Over the longer period we know that we will be able to assist you to significantly outperform competitors who do not effectively 'Compete with Information'.

We firmly believe:

Excellence in information management will be 'the difference that makes the difference'.

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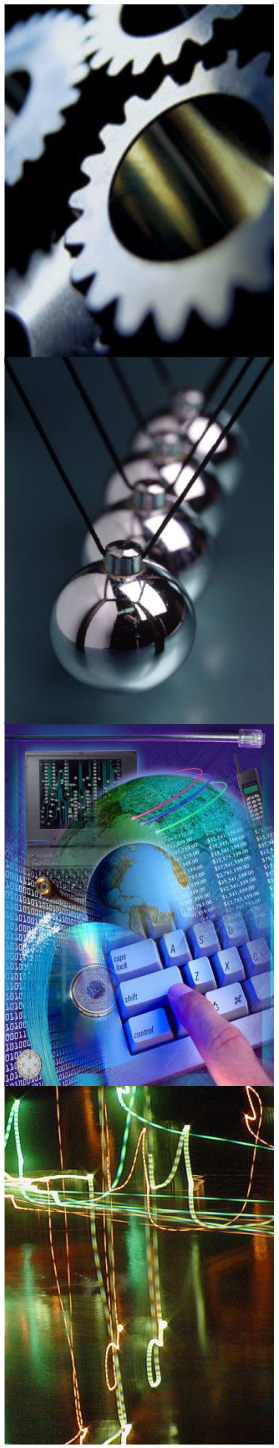

Thank You For Your Time!

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