



Advanced Business Intelligence: 5 Steps to Increasing Profits Through Informed Decision Making

An investment in advanced business intelligence is an investment in future growth and profits for today's retail organizations. In an increasingly challenging selling environment, merchants are charged with collecting and organizing a growing mountain of data points in order to formulate the most effective retail strategies. Outdated analytical tools that dump chunks of static data into a spreadsheet are inadequate for predicting shopping and buying behavior. The most successful retail companies will implement advanced BI solutions that can predict and respond to demand before it occurs.

By following this 5-step guide, retail companies will learn how to leverage the massive amount of data already being collected; accelerate and extend business intelligence from the C-suite to the stock room; and find the best ways to deliver products how, when and where today's increasingly knowledgeable customers want them.

Previously mismatched data is becoming much easier to extract and simple to interpret — driving better, faster decisions, increased customer loyalty and a measurable impact on the bottom line. New BI solutions for retail incorporate dexterous architectures that open and leverage existing resources without inflicting the implementation pains of yesterday. These tools don't replace retailers' expertise but empowers them with the information to take real-time action.

Step 1: Re-evaluate Current BI Processes

Step 2: Commit to a Transformational Change

Step 3: Transform Data Into a Centralized Depository of Information

Step 4: Put Control in the Hand of the User

Step 5: Choose the Right BI Vendor

Step 1: Re-evaluate Current BI Processes

Data silos may be jam-packed with potential, but exploration tools may be outdated. As the data volumes grow and merchants gather more and more information about their products and customers, they must turn all those facts into actionable data. Older BI systems may be well-integrated with merchandising and POS and/or financials, but are often based on a hardened data infrastructure that would require a significant IT investment to leverage today's other data sources. Data volumes are growing more massive and unstructured every day, requiring more powerful and flexible BI exploration tools. Today's retailers need to investigate and assess, not be guided along predefined paths that often provide inaccurate information or deliver answers too late to be of any value. Many retailers are missing a huge opportunity believing they have a BI application that helps them analyze, plan and deliver, but the application doesn't integrate with the business' other data sets, processes and systems to allow the required predictive thinking. While most retailers do a good job of gathering key data, they have a hard time integrating and extracting it in a form that truly operationalizes it so that users at all levels within the organization can use the information efficiently to drive decisions and take action. Retailers often use a variety of tools to monitor, plan and execute but are not using a truly integrated business intelligence solution that drives good business decisions and is at the core of the operation. Retailers need a predictive capability that only true business intelligence can provide. If a retailer's current BI tool simply is an elaborate reporting device and not designed specifically for the needs and hierarchies of retailing, then it's time to take the next step.

Step 2: Commit to a Transformational Change

A retail organization can move from looking at static spreadsheets built from separate vaults of data to accessing real-time intelligence based on history, merchandising trends, competition, responses to targeted offers and other key data sources. The tools may be in place, but the retail team needs the right process and a commitment to execute this move. Harnessing the power of business intelligence starts with an executive commitment to the transformational change. The commitment must come from the most influential executives in the retail organization — those who can enable the broadest change opportunities from a process and financial standpoint. Key to a project’s success is the understanding that if the corporation’s CEO, COO, CMO, CFO and CIO communicate its support of the transformation, the balance of the organization is more likely to embrace the process. When the necessary corporate alignment is absent, a BI project investment may not translate to successful execution. The pressures of daily tasks outweigh the more strategic business objectives of incorporating best business practices, including using and sharing data. The appropriate system solutions may be in place, but in a volume-driven sector with shrinking margins driving daily sales goals, the lack of C-level commitment inhibits the opportunity to leverage reporting insights and BI transformation.

Step 3: Transform Data Into a Centralized Depository of Information

From soft line apparel to fast-moving consumer goods, retail data concerning products and offerings — and how, when and where customers want them — must be turned into intelligence. Shoppers are empowered with information access. They’re researching online and buying in-store; doing the reverse; making purchase decisions in-store then buying cheaper elsewhere; checking social media and YouTube for decision support. Retailers can’t allow consumers to become smarter than they are. Game-changing shopping methods are providing significantly higher degrees of buying intelligence that retailers must analyze to understand what’s influencing purchase decisions. There’s so much more transparency in retail today, forcing retailers to drill into new, unstructured data. The seamless flow of accurate information is fast becoming a source of competitive advantage. It’s not enough to know what happened at POS; retailers must find out what consumers did before they got to a store and what they’ll do next to move from browsers into buyers. The goal of today’s advanced retail BI is to combine an increasing amount of extremely valuable, unstructured data — which includes less concrete elements such as buying influences — with more tangible information, such as purchase history, to impact profits and loyalty. Retail-specific BI vendors and consultants can help assess and transform current data warehouse structure into a centralized depository of information allowing a retail organization’s key players to make proactive decisions based on unified, powerful information. A BI vendor/consultant can help determine the best route for each individual retailer.

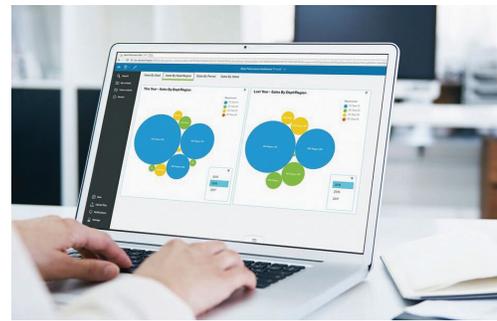
Step 4: Put Control in the Hand of the User

No longer based on roles, BI for the masses is open, collaborative, secure and responsive to individual needs and requests for insight, allowing more predictive and productive actions. There’s a shift of balance from static intelligence to real-time, self-service information. Accessing data anytime from anywhere puts control of business intelligence into the hands of the users themselves, making them more self-sufficient and responsive. Better insight into key areas of accountability helps these associates at all levels





identify issues before they become problems. Benchmarks can be met and exceeded with closer management of business geography; stores sizes, tiers and regional clusters; product margins and assortments; and marketing campaign trends. For example, planners need to know what products their buyers have in the pipeline; where the more robust assortments need to go; how soon the products need to get shipped to meet promotional windows; and where the higher-shrink items on promotion should be placed. An open structure of sharing data between departments can infuse power into all levels of the retail organization so better enterprise-wide decisions and actions can be made. To support the speed and effectiveness of real-time business intelligence, retailers are trending from static Excel-like spreadsheets to browser-based dashboards that present a complete, real-time view of the business, yet allow each user a tailored view. Customized views of pertinent data generated on simple, adjustable interfaces allow retail team members — from merchandisers, planners and store managers to the CEO and CFO — to contribute, collaborate and make fast, smart decisions that increase sales and competitive position. The interface should be visual, interactive and presented in a familiar layout; be modified for specific user needs; and usable across devices, including smartphones, tablets and PCs. It's not just about the data, but how that data will be used.



Step 5: Choose the Right BI Vendor

Retailers should consider an external project management partner that works in harmony with, but independent of, both internal and vendor resources. These partners work with multiple BI vendors to deliver the best, unbiased and customized final results. The most effective specialize in retail: They understand the impact of today's knowledge-empowered consumer, ensure that all pertinent information is captured ongoing in the retail databases, open the vaults, and guide retailers in formulating strategies that help predict tomorrow's demand. For true retail vision, merchants must have an open enterprise system that breaks down the data silos of their various operating divisions. Gone are the days of static spreadsheets to gain operational insight. Implementing basic BI analytics must be part of the cost of doing business. Going forward, having the capabilities to predict and respond will differentiate the winners from the losers.

By following this 5-step guide to achieving retail BI — through reevaluating, committing, transforming, implementing and choosing the right BI vendor — retail companies can grasp and extend the reach of BI to deliver products how, when and where today's increasingly knowledgeable customers want them.

Contact us today to learn more!

RPE - Retail Process Engineering
20537 Amberfield Drive
Land O' Lakes, FL 34638

Rob Henneke
813-490-7000 Ext. 7353
rhenneke@rpesolutions.com

www.rpesolutions.com



www.linkedin.com/company/rpe-solutions



www.facebook.com/rpesolutions



www.twitter.com/rpesolutions



<https://plus.google.com/+Rpesolutions/posts>

About RPE

In today's changing retail landscape, RPE consultants and IT solutions experts utilize years of experience to help retailers improve the customer engagement, increase sales and improve profitability. A leading retail consulting firm established in 1999, RPE's innovative services include business process improvement, package selection, strategic IT planning and systems implementation. A secure Data Center provides cloud hosting, systems management and disaster recovery. Working in partnership with JDA Software, Jesta I.S., Veras Retail, IBM and most leading software and hardware providers, solutions include PLM, Sourcing and Demand, Merchandising, Planning, Allocation, Replenishment, DOM, DC Management, Business Intelligence, Mobile, Clienteling and Point of Sale. Visit www.rpesolutions.com.