

ARC Drives Business Performance Initiatives in Deutsche Woolworth

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BACKGROUND: Deutsche Woolworth is a leading German retailer operating more than 380 stores of up to 50,000 square feet across Germany and Austria. With more than 16,000 employees, Deutsche Woolworth generated sales of approximately \$1.4 billion in 2004.

HARDWARE PLATFORMS: IBM pSeries servers, AS400 and DB2.

PROBLEM SOLVED: As part of our business performance management initiatives, we wanted to provide a single version of the enterprise, understand our critical key performance indicators (KPIs) and set a framework to monitor, analyze and manage the performance of our retail operations across the enterprise. This required integrating data from various retail point solutions in our environment into a single data warehouse (DW). The complexity and dynamism of our business was placing increasing strain on the existing business intelligence (BI) platform to deliver performance-related reporting and analytics to business managers. The platform's architecture and deployment was becoming unwieldy to maintain, customize and scale. We were spending a huge sum of money in hosting the DW. There were more than 2 billion records with around 360,000 SKUs.

PRODUCT FUNCTIONALITY: ARC's retail-centricity and wide functional analytics coverage has helped institutionalize performance analysis and reporting across the organization and multiple business functions. ARC's architecture understands and anticipates retail data structures, ensuring rapid

deployment, superior performance and a scalable platform. The dashboarding, cube analysis, alerting and scheduled reporting of ARC has provided actionable reporting and analysis capabilities to our managers. The prebuilt capability of ARC reduced significant time and effort in our requirements-gathering phase. The retail-centric DW design and method of data aggregation and storage has enabled us to bring down the data volume in the warehouse from more than one terabyte to 250GB. This has enhanced performance while reducing overhead costs by more than 50 percent.

STRENGTHS: ARC cut down the typical deployment lifecycle and reduced our BI/DW total cost of ownership. The retail-centric architecture is scalable and robust, delivering superior performance as compared to deploying and configuring a typical BI platform. The various retail-specific business functions and KPIs built into the application have provided our executives with industry best practice metrics and analytic methods to aid our tactical decision-making.

WEAKNESSES: ARC should include forecasting and what-if capability to extend its value proposition because the retail data model is an ideal platform to drive predictive analyses.

SELECTION CRITERIA: ARC's prebundled retail KPIs on a retail DW architecture fit our analytics needs. The entire implementation lifecycle from proof of concept to final user acceptance only took around eight weeks. ARC's licensing structure is independent of the number of users, and when compared to other BI solutions, this approach has given us significant savings from an enterprise-wide usage standpoint.



ARC

INTEGRATED RETAIL BUSINESS INTELLIGENCE SUITE

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DELIVERABLES: We use ARC reports for analyzing business performance across key areas. We use ARC's utilities, including export to pdf and Excel, alerts, scheduling and report bursting, for providing an actionable intelligence capability to our managers. ARC offers status tracking, comparative store and merchandise analysis, target-to-actual measurements on critical KPIs, year-on-year performance analysis, multiple KPI dashboards, and complex reporting and analyses. Some popular reports are supplier performance analysis, best and worst sellers, promotion effectiveness, pricing performance, product range performance, stocking performance and margin performance.

VENDOR SUPPORT: We formulated an on-site offshore strategy for implementing ARC. It was easy for the IT team to customize and reconfigure the application to suit our specific requirements. The majority of the implementation processes happened offshore, saving a significant amount of money. We address most of our questions via the support portal in the ARC application interface and are amazed by the quick response received.

DOCUMENTATION: The documentation is well written and well organized. Though the product is very simple for the end user and requires minimal training, the documentation has been very helpful in ensuring we get the most out of the system.