



FOOD & PHARMACY

Food and Pharmacy Retailer
32 Stores | 3,700 Employees | 150,000 Active SKUs
Seattle, USA

Haggen, Inc. is a dynamic, growing company that currently operates 32 supermarkets throughout Washington and Oregon, with continued planned growth. The Company operates two formats: Haggen Food & Pharmacy stores that feature specialty departments, and the TOP Food & Drug outlets that emphasize savings. Haggen is the Northwest's largest independent grocers.

BI Usage Environment

- Employees in IT department: 20
- Employees maintaining BI: 2
- Number of business users: 200+
- Top user community: Corporate Merchandising and Store Merchandising
- Top usage areas: Sales & margin performance management, category performance management, inventory control, product performance, pricing & promotions

Why ARC?

“Being a retail BI solution, ARC was a superior choice compared to other generic BI tools like Microstrategy, Business Objects or Cognos. Being on a high growth curve, Haggen did not have the time to deploy and customize generic BI toolkits. At the same time, our business users needed a head-start in their analytic capabilities and accelerate their BI learning curve. As a best-of-breed, pre-built solution for retail decision-making, ARC was the only comprehensive solution that met needs of all departments”

- Harrison Lewis, CIO,
Haggen Inc.

Business before ARC

Haggen was limited in their ability to analyze data. From querying databases and tables, to preparing data, aggregates and reports, it used to take days and sometimes weeks to deliver a reporting request.

Daily reporting was unavailable, and weekly reports used to be delayed by over 10 days. With static reporting, their visibility was limited to sales and inventory data at a high level. Business users did not have the analytic ability to explore, drill down, filter on these KPIs and view them from multiple dimensions. It was not possible to join multiple data sets like product & customer to determine trends and patterns.

Business since ARC Retail Business Intelligence

Driving tangible value for Haggen today - 2 years since deployment

During Haggen's BI evaluations, they estimated a saving of at least 10 months in time and over \$250,000 on deployment costs alone compared to other generic BI options. Reports now arrive in less than 30 seconds for non SKU level, and under 60 seconds for SKU level reports. Before ARC, Haggen used to have about 5 heavy users of analytics. Now, in a short period of 2 years, they have over 200 employees using BI.

Haggen does not manage a large IT workforce for data preparation and reporting. The entire BI environment including needs of 200 users is supported by a team of only 2 people. This gives a potential savings of over \$100,000 annually by allowing them to redeploy labor to address more pressing business opportunities.

ARC has helped Haggen focus more on their business. With a large library of retail metrics & KPIs and a strong self service capability, their business users can easily extend their analytics, configure their own key performance indicators, personalize their reports & analysis, configure filters, customize attributes & hierarchies, and do a lot more.

ARC is used by over 90 users at the corporate office and over 100 at the stores. Haggen uses ARC across many areas like stores, merchandising, inventory, customer, loyalty, pricing, promotions, human resources, supplier etc. Corporate and store merchandisers are by far the largest user community.

Rapidly growing analytic maturity Making profound business impact across Haggen

Some interesting examples of the benefits their category and store managers have seen using ARC:

- The sushi section of their deli used to make fresh sushi each day. With ARC, Haggen figured that most of the sushi sales happen after 5pm. With the new insight, they changed their business processes to allocate labor to this process of sushi making in the afternoon, so that they save labor time in the morning for other tasks and also provide fresher sushi for the evening.



Primary justification factor enabling investment in BI

“Making better business decisions to improve profitability, customer service and sales through better management of business areas like merchandising, marketing & promotions, inventory, customer loyalty, vendor/supplier, human resources, and store operations.

These objectives were to be achieved through deeper business insights, strong analytic capability, faster reaction to opportunities and at an enterprise level, promote a greater adoption/usage of retail BI across a wide set of employees in Haggen.”

- Harrison Lewis, CIO,
Haggen Inc.

- The meat merchandiser was putting steaks and high end meat cuts on promotion thinking that those types of meats were pulling in the customers and adding value to the meat promotion. However, after looking at ARC and seeing the distribution of meat sales during the promotion, they realized that actually it was ground beef that was pulling in the customers. Because of their own assumptions, they thought that steaks must be the most popular. However the everyday customer was excited about the ground beef promotion. This changed how promotions were analyzed for their effectiveness and how they decided to put future items on promotion.
- On many promotions, Haggen has been able to optimize the pricing to arrive at the right price that would maximize sales.
- Haggen is able to report on anomaly items and better control the days of supply to make sure high in-stocks in the stores. By avoiding Out-of-Stock items, Haggen sees a potential increase in gross for those items by 10%, which avoids those financial losses and lowers customer service expectations.
- With analytics on human resources, and KPIs like labor contribution, plan vs actuals, labor \$ in sales, sales/hr etc, Haggen will be able to better control labor demand, allocation and scheduling. The advantage of using ARC for labor contribution has the possibility of redistributing labor to help in the stores, and the capability of saving hundreds of thousands of dollars in labor for each store.
- With loyalty analytics, Haggen’s marketing team will be able to profile customers by geo-demographics and use that information to offer targeted promotions that drive more basket value and shopping trips. This type of offering could pull in new customers and increase sales by over 5% company wide. That could be additional sales of millions of dollars.

Most significant "lesson learned" from ARCs usage?

“There are huge opportunities in data and hidden relationships between product, customer and store data sets, waiting to be discovered with the right business intelligence solution.”

- Jocelyn Meyer,
Business Intelligence Manager, Haggen



About ARC

ARC is a retail data warehouse and an integrated BI suite specifically architected for retail. Being a specialized product built exclusively for retail, ARC dramatically reduces the deployment lifecycle and the total cost of ownership by cutting down the time needed to customize a business intelligence platform to the retail industry’s specific needs. ARC’s retail data model variants enable various retail formats like fashion & apparel, food & grocery, specialty and mass merchandise. The comprehensive data model is flexible enough to accommodate changing business dynamics across all functions from store to supply chain. For more information about ARC, please visit www.manthansystems.com.

About Manthan Systems



Manthan Systems is a provider of specialized software solutions for the retail and consumer goods industries. Manthan helps retailers capture and process data that can be leveraged to improve planning, monitor results, analyze and anticipate changes, and mine opportunities. Manthan understands retail business practices and their technology underpinnings having worked with a wide range of retailers and consumer goods companies including Woolworths Germany, Haggen Supermarkets, Game Stores Group, Castorama, Ecco Sko, McDonalds, Loblaw and Hagggar Clothing Co. For more information about Manthan Systems, please visit www.manthansystems.com.