

For the retail chains that have a pan-national outlook and plan to work in a geographically distributed environment, IT is a no-brainer. To be able to effectively manage both sales and inventory – and therefore profits, having the information in real-time is imperative. The key to success is appropriate product mix based on demography and a good customer service experience. To be able to accurately forecast consumer buying patterns, movement of inventory, seasonality of products and reduction of waste/pilferage it is necessary to have both up-to-the-minute and historical data. Current data allows close monitoring of business operations, while historical data is required to analyse trends, build predictive models of the business and push targeted marketing to the customers.

Such pan-national retail operations would have multiple regional warehouses, offices and retail outlets. In such an operation how does the headquarters know the daily turnover at each of its outlets, how does it know which products are selling the most in which region at which outlet, how does one store know if a stock-out item in its own inventory is available at another store location for whom it is slow moving item. Retailers all across the country believe that shrinkage due to inventory recording, handling and administrative errors costs retailer's millions. In an intensely competitive, cost-conscious industry, decisions about IT and telecommunications infrastructure can make a vast difference. The right solution can result in improved productivity and major cost savings through key advantages such as more accurate supply chain forecasting and better inventory management. For example, given a situation where a retailer wants to increase its loyalty customer base, an organization with relevant IT systems in place, has a ready customer database which is updated at every purchase, which can be used to send mailers or promotional catalogues.

Another example where IT can be beneficial is a store management system that alerts out-of-place or stock-out items. An in-store system that uses magnetic strips or barcodes or RFID to monitor actual versus intended product location on the floor or in the stockroom will greatly enhance the ability to monitor stocks and control wastage/pilferage. By using RFID-encoded shelf edge labels with embedded shelf readers, a grid could be set up for verifying planogram compliance for standard shelving and promotional displays, with a corresponding alert for misplaced items sent to store personnel. Big payoffs could be realized for frequently moved and misplaced items, such as apparel, shoes, CDs and DVDs.

While many retailers have or are starting to employ IT systems that handle store operations, these systems do not always provide an end-to-end view of the business. Mostly these systems take care of POS operations with minimal inventory management and sometime have a backend / HO system that is incompatible with the POS. This is a product approach to implementing IT systems, which tend to create islands or silos of information. In such an approach most of the data is compiled manually or semi-manually, leading to data inconsistencies. Moreover many of these POS software are built on technologies, which by their inherent nature were not designed to scale-up or scale-out

Most of these issues can be solved by the appropriate use of technology. The ability to have current information on a real time basis and analyzing that data for better forecasting are some of the payback provided by technology.

Some of the key areas where appropriate retail solutions like LS Retail can help:

### **Streamline and optimise operations**

Offer retailers integrated POS and management tools such as customer profiling, inventory management, and accounting.

To reduce operational costs, you need a way to connect employees, suppliers, and customers to help manage functions such as manufacturing, distribution, inventory, and procurement.

Business Analytics can help you optimize the way you do business, integrating the avalanche of data and information into a coherent, manageable flow. Business Analytics can help you manage and plan for current and future capacity and infrastructure needs.

### **Sharpen your Competitive Edge**

Business Analytics can help you zero in on your customers' needs with a high degree of precision, and streamline the inventory flexibly to adjust to market fluctuations.

Using Business Analytics, managers can gather data from a multitude of sources to:

- Gain visibility to constantly changing customer demand patterns
- Manage shortening product life cycles
- Combine historical trends and patterns with forward-looking indicators
- Coordinate with supply chain planning and management
- Reduce planning cycle times.

A consumer product goods company had its supply chain operating at better than 95 percent accuracy, based on plan. But the company was driven by a demand forecast that was less than 50 percent accurate. This disparity resulted in 30 percent obsolete inventory, and countless missed sales and promotional opportunities. After implementing a process and business intelligence solution, they could reduce the inventory of finished goods immediately by 20 percent.

Business Analytics can leverage a number of forecasting and tracking tools to help organizations manage and optimize the supply chain to ensure on-time deliveries and appropriate inventory levels. At the other end of the transactional chain, Business Analytics can help keep the distribution network at a satisfactory performance level, and enhance the speed and efficiency of fulfillment services.

### **Connect Information and Processes**

Retail Solutions like LS Retail can reduce administrative costs and increase operational efficiency. Previously manual processes, such as compiling, collating, and cleansing data, can be automated, thus saving time, improving productivity, and freeing people to do more meaningful and important tasks, such as analyzing and acting on information.

Robust ERP systems help retailers support warehouse management, payroll, and more—all on a single platform. Centralizes merchandising across stores and leverage technologies such as RFID, self-checkout, and wireless devices to boost productivity. Such systems allows the retailer access to complete customer information, and process returns, backorders, and layaways to meet purchasing needs.

Powerful transaction systems accept multiple forms of payment—from cash to government stamps—helping to eliminate the need for payment terminals.

### **Develop a customer-centric focus.**

CRM capabilities help you gather and analyze real-time data to respond to customer demand and offer efficient, personalized service that can evolve into a lasting customer relationship, expedite checkouts, use preference information to up-sell, and give automatic discounts to frequent shoppers.

Customer-centric organizations soon find themselves flooded with customer data. Business Analytics can help you make the most of this data and maintain a full view of your customers' preferences and behaviours, whether it's simple contact and shipping information, outstanding balances, recent activity, or even lifetime value and loyalty.

### **Optimize inventory management.**

Cost-effectively track sales by SKU (Stock Keeping Unit) and calculate turnover rates for a single item, merchandise category, or your entire organization. Retailers can leverage back-office applications that centralize inventory tracking for chain stores, catalog operations, and e-business retailers. Real-time visibility helps the retailer stay on top of trends and gross margin return on inventory investment (GMROI).

Automate PO's and payables and set up blanket POs to generate releases at predetermined intervals. Track items through the entire stocking and inventory process and implement automatic price adjustments.

### **Use advanced reporting and analyzing tools and techniques**

Accurate reporting tools help your organization make better decisions, improve efficiencies, manage inventory, and increase sales. Improve end-of-day reporting, view and print journals by batch or receipt number, and run reports by SKU, store, or region.

Access detailed audit reports or create custom reports with third-party software solutions, and upload the data with ease.

Business Analytics is a key Decision Support tool that uses online analytical processing (OLAP) tools to perform advanced data analysis. Different business decisions often demand different types of information from various competencies within the business. Business Analytics allows users to access dynamic information from multiple business areas simultaneously, with the capability to combine information selectively. Users can access their customized information and analyze them through the interface of their choice, Microsoft Excel, over the Web, or through a Microsoft Windows based Business Analytics client.

When you need to make sure that costly campaigns and marketing initiatives are actually producing to expectations, Business Analytics can show you what your marketing investment produces. Business Analytics can give you the information you need to plan and change your strategies in support of products and services you offer, and the marketing and sales channels you use.

It is evident that the use of appropriate IT solutions could mean the difference between a highly profitable and growing retail operations and one that is inefficient, poorly managed and barely surviving.