

For many years the retail industry in India has been disorganised and consisted mostly of single-store outlets; viz. a few retail chains and a large number of the friendly neighbourhood 'kirana' shops. These outlets had pre-historic supply chains, inefficient inventory management; very few were customer focused and most were in the small to medium category. The sudden spurt in demand and a greater awareness amongst buyers for quality products and services created a vacuum that could only be met with fine-tuned supply chains, efficient inventory management and a totally customer focused view.

IT is the key enabler to improving customer satisfaction, operational efficiencies and by extension profitability and is proven as an organised and efficient retail operational discourse. Issues like the quality check, information about company outlets, daily check of the turnovers, etc. can be solved by appropriate use of technology. The ability to have current information on a real time basis and analysing that data for better forecasting are some of the paybacks provided by technology.

In an intensely competitive, cost-con-

# The IT advantage

In today's competitive setting, use of IT and telecommunications can make a vast difference

scious 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, in a given situation where the retailer wants to increase its loyal customer base, an organisation with relevant IT systems in place has a ready customer database. IT can also be beneficial in a store management system that alerts



out-of-place or stock-out items. Retailers need to understand that technology is not a sunk cost but rather an investment to reduce heavy long-term costs and to maintain competitive advantage.

## Retail solutions

There are many retail solutions available in the market from both internationally reputed software companies as well as locally developed small or homegrown systems that fill a niche market for smaller retailers. It should be kept in mind that many of these solutions are often developed with a very narrow focus, without proper documentation and little regard to architecture or quality; as a result scalability and configurability suffer. Very few solutions can be categorised as an 'end-to-end retail solution' covering everything from POS to back office and head office. Solutions can range from a single store with one POS to a complex, multi-store environment that integrates with your overall business operation. Some of the better-known solutions like LS Retail, SAP, Oracle Retail, JDA and Landsteiner offer comprehensive end-to-end solutions. They are scalable, work in

geographically distributed environments and are modular enough to suit most retail requirements with minor customisation.

Technology coupled with retail dynamics is definitely a win-win situation for retailers. With the coming of international retail players, it has become imperative for SMEs to take a step towards technology adoption to reap optimum benefits from their business.

As an example, the LS Retail Suite of solutions provides support for smaller stores as well as large multi-store, multi-location setups and has been localised for the Indian Industry. It provides flexibility, scalability and granularity that help in reducing the total cost of ownership. IT solutions like these improve profitability and prepare the retailer for changes in both business and customer behaviour. These IT solutions provide the ability to make up-to-the-minute decisions with fewer mistakes. Very importantly, a good IT solution can recognise current consumer trends and reduce the total cost of inventory.

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