

IBM Retail Business Intelligence Solution

Retail data warehousing without limits: Gaining the freedom to focus.

The truth will set you free



Whether shopping for daily necessities or for luxury goods, today's empowered consumers are looking for clear and compelling differences among retailers. This challenges your team to develop dynamic, customer-centric business models driven by fast, unfettered access to customer, product and other information. Sources throughout your enterprise and beyond will need to provide this information. And whether any particular bit of information flows from one customer's actions or from thousands of aggregated transactions, its value must be extracted and exploited as quickly as possible and at all relevant points up and down the supply chain to have the maximum impact on your bottom line.

Yet many retailers—searching for the insights into their business and marketplace that will provide them with a competitive edge—find themselves inundated by torrents of data, much of it conflicting or out-of-date. In the midst of this deluge, your retail team desperately needs “one view of the truth,” even though the content and meaning of “truth” change by the second. When your team succeeds in acquiring a

valuable insight, they must turn it into action—seamlessly converting business insight into business decisions that quickly respond to changing conditions before the next deluge of data comes along.

To cope with these challenges, many retailers are building unified repositories of data known as data warehouses. Linked to the right tools, and tied to the right business processes, data warehouses can drive faster, better decision making, deeper and more revealing understandings of customer behavior, and precise—even prescient—control over every aspect of the business. Data warehousing can serve as the foundation for building strategic and sustainable business advantages from the point-of-sale all the way up to the executive office.

Dodging the pitfalls

Different retailers have taken different paths to data warehousing, with varying degrees of success. The different approaches raise critical questions that should be considered by any retailer seeking strategic, sustainable advantages from a data warehouse:

- *If a retail team can't use the data because it is hard to interpret, difficult to use, or takes too much time to extract, then how can it make a true impact on the bottom line?*
- *What is the value of solutions that are almost indistinguishable from those of competitors and which offer scant room for differentiation?*
- *Does the warehouse include a built-in ability to drive real change and improve customer responsiveness throughout the enterprise?*
- *Will initiatives become bogged down before critical data reaches the retail team because of the complexity related to managing multiple databases, or managing disparate combinations of operating systems, hardware and software?*

To help IBM clients avoid these pitfalls, the IBM Retail Business Intelligence Solution (RBIS) is designed to provide retail businesses with the reach, consistency and freedom to drive powerful, ongoing programs that support strategic differentiation in today's fiercely competitive retail environments. In short, RBIS gives you a way to get your head above the data deluge.



Retail technology leadership . . . from IBM

IBM has long been the source of innovative solutions for the retail industry. Among them: point-of-sale systems; logistics and distribution applications; e-commerce technologies; business transformation consulting; IT strategy and planning; store operations improvement; supply chain optimization; plus services such as outsourcing, managed operations, systems integration, and application development and design. IBM is also a leader in advanced database and enterprise warehouse solutions, offering a full complement of applications, services and IBM Business Partners to support the needs of retailers and other clients worldwide.

The differences are clear

At ValueTrend

7:00 p.m.

Driving home from work, ValueTrend's VP of marketing learns through her PDA that the company's online division is seeing a sudden surge of sales for a particular cookbook. Checking with the category manager, she learns that a popular TV show host just picked the title as a "must-read." She immediately calls her assistant, who e-mails store managers nationwide with instructions to set up special displays for the title before their stores open. Meanwhile, a 10-percent-off, in-store-only coupon for the author's previous book also goes up on the chain's Web site.

Capitalizing on your uniqueness

The IBM RBIS is specifically designed to enable you and your people to leverage information and insights in ways that are as unique as the logo on your shopping bags.

For example, the RBIS is designed to work with the skills and assets you already have or are planning to acquire. It is built to function as an advanced retail information foundation customized to your own particular operations and competitive strategies. By uniting existing skills and assets, and avoiding a wholesale "rip-and-replace" approach, RBIS can extend the life of your current investments while helping you bridge the technical and organizational barriers that can limit their use across functional or organization silos.

Standards keep you flexible

What also sets the RBIS apart is its adherence to open industry standards. IBM won't lock you into just one hardware, software and services option. Instead, you'll be able to cast a far wider net for technology and best-of-breed applications from the vendors you see as best able to support your unique competitive strategy. You will also be able to respond more quickly and effectively to ongoing improvements in applications and technology while sidestepping costly barriers to integrating those improvements rapidly. The IBM commitment to open standards provides you with the fastest, most flexible options to keep you ahead of the competition.

Get started
sooner

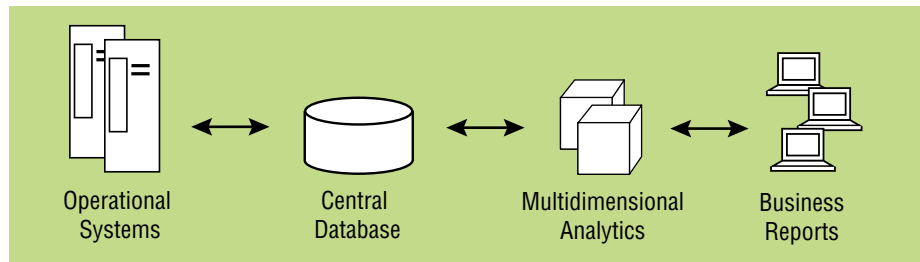


No opportunity left behind

By forcing you to conform to the demands and limitations of proprietary architectures, some data warehouse choices can unduly complicate updates, enhancements and changes in strategy, while adding to costs and delaying deployments. Those delays can allow your competitors to gain momentum in their quest for your customers' attention and wallets.

The IBM Retail Business Intelligence Solution gives you a way to achieve strategic value more quickly by avoiding the delays and expenses of both proprietary and "built-from-scratch" solutions—enabling you to take advantage of tried and tested applications and technologies that integrate with and empower your existing skills and assets. Demands on your staff are minimized so they can maintain their current focus without being consumed by a massive warehouse planning and implementation project. Plus, there is no inherent requirement for new or complex database administration skills.

IBM Retail Business Intelligence Solution



The IBM Retail Business Intelligence Solution is simple in structure but powerful in function—an advanced information foundation designed to support highly sophisticated, real-time and relevant business intelligence solutions.

The IBM RBIS leverages IBM DB2® Universal Database™ Data Warehouse Edition—building on the DB2 scalable, extensible warehousing engine with advanced data-mining features, industry-leading query support, sophisticated analytics and much more.

Great beginnings—anywhere

The IBM Retail Business Intelligence Solution allows you to start your move to retail enterprise data warehousing from virtually any point. Its architecture allows you to rapidly implement it wherever your needs or opportunities are greatest—scaling it up and out and into your enterprise from there to leverage

the full power of the information foundation framework. The ongoing updates to the information models insure that the latest industry trends and requirements will be available now and in the future.

The RBIS architectural approach also allows people from your stores, corporate offices and other operations to take an active role in its implementation and evolution; the resulting information and insights are relevant, actionable and aimed at improving both your top-line and bottom-line results. The IBM RBIS enables insight and action all the way to the point of service in the store. And no wonder—only IBM has a deep understanding of both retail business intelligence and retail selling environments.

Drive differentiation deeper
into your enterprise



The need to know is everywhere

The IBM Retail Business Intelligence Solution has the scope and flexibility to enable better, more timely decision making at all levels of your enterprise—promoting unmatched customer-centricity, and more effective and profitable cross-channel selling. The RBIS helps you follow through on customer-centric strategies by integrating both product and customer information to yield deeper, actionable insights into not just what is selling, but to whom it is selling and why.

Fueled by customer, operational and competitive data, the RBIS can provide real-time monitoring, localized analyses and automated exceptions management to respond to fast-changing trends and business conditions. With that kind of granularity and control, you can gain an edge over your competitors with your ability to focus not just on trends and changes across the company, but also trends and changes at the store level.

To help you achieve this field of vision and exacting, information-based control, the RBIS supplies an extensive set of retail business solution templates that cover the gamut of retail operational and analytic reporting. Maintaining consistency with the structures and definitions of the RBIS, these customizable templates not only speed overall deployment, they also help users throughout your enterprise tailor the RBIS to their particular needs and make faster, more cost-effective

Why IBM? <i>Comparing the approaches</i>	Custom-build a retail data warehouse (internally or outsourced)	Buy a pre-built proprietary solution	Select the IBM Retail Business Intelligence Solution
Implements quickly and incrementally, without compromising future flexibility	No	No	Yes
Pre-tested, pre-integrated infrastructure and applications	No	Yes	Yes
Flexibility to choose from the widest range of applications	Yes	No	Yes
Work can be distributed across different platforms	Yes	No	Yes
Rapid project execution	No	Yes	Yes
Affordable maintenance and upgrading	No	No	Yes
No specialized database administrative skills required	No	No	Yes
Power and flexibility to use the warehouse to differentiate your company from the competition	Yes	No	Yes



use of its capabilities. Simple, graphical interfaces are easily understood by business users and help to accelerate adoption. Data measures and dimensions can easily be adjusted to reflect each user's specific reporting and analytical needs.

Armed with the RBIS and its diverse array of capabilities, retailers can actually develop unique "brands" of knowledge and extend their value far beyond their own enterprises. For example, a company might share information

with its suppliers on the varying performance of the suppliers' marketing programs among customers with different demographic profiles. This, in turn, enables the retailer to turn its supplier relationships into true partnerships, and provide the foundation for mutually productive team efforts and collaborations.

Powerful solutions for real-time, localized:

• **Marketing and merchandising:**

Demand forecasting, allocation/ assortment analysis, category management, promotion performance, price optimization, etc.

• **Product and service management:**

Core business reporting, vendor performance, etc.

• **Store operations:** *Sales performance,*

location analysis, employee management, loss prevention, etc.

• **Customer management:** *Purchase,*

repurchase and cross-purchase profiles; demographic analysis; acquisition and defection reports; campaign response analysis, etc.

• **Multichannel execution:**

e-commerce analysis, catalog analysis, etc.



At ValueTrend

9:10 a.m.

Ten minutes after stores open, sales of the featured title are already brisk—and downright phenomenal at one store. Several managers of other stores notice this on their store-by-store comparison software. They check with that store's manager and learn that he'd put the "must-read" video segment with the TV host above the display. That tip—plus the digitized video segment—go out nationwide over ValueTrend's intranet. Meanwhile, automated inventory systems are placing overnight replenishment orders directly with the publisher for both the featured title as well as the author's previous title. That title is seeing a significant increase due to the 10 percent coupon posted on ValueTrend's Web site.



Get ahead and stay ahead of the competition



Becoming a moving target

By providing a consistent, dynamic and enterprisewide view of information, the RBIS can enable your corporation as a whole to focus more meaningfully on wide-ranging goals such as inventory reduction, vendor cost management, forward planning, and creating and capitalizing on opportunities for growth. You compete for the customer with your whole team working together, not in their separate silos.

Equally important, the RBIS standards-based architecture can simplify the addition of new applications you need to maintain and enhance your competitive advantage. Its templates and

approach can enable users to create new analytics and reports largely on their own, with minimal (if any) assistance from the IT staff. And by not soaking up resources in long, involved user training and customization efforts and the subsequent management complexity, the RBIS allows you to keep your people and systems focused on your business. Collaboration within and beyond your organization is also greatly enhanced, affording everyone access to the same information and common tools for viewing and exploiting it.

Meanwhile, real-time monitoring features enable you to respond quickly to changes in the marketplace or the supply chain. Autonomic capabilities built into components such as DB2

detect and self-diagnose potential problems—even recommending solutions to help keep your enterprise up and running at full capabilities, and minimizing your competitors' abilities to take advantage of a temporary loss of system availability.

Finally, IBM will deliver ongoing data model refinements and other improvements on an annual basis to active customers, reducing the need to keep up with technological advancements and changing industry requirements on your own.



Simplify the project— and your future

IBM is ready to help you every step of the way in planning, designing, deploying and managing your Retail Business Intelligence Solution.

The IBM Retail Business Intelligence Solution is complemented by a broad range of IBM hardware, software, services and IBM Business Partner offerings. These include IBM @server[®] and IBM TotalStorage[®] systems, plus IBM DB2 Information Management software designed to hold, manage and mine vast quantities of data across functional areas, across time, and across analytical dimensions. IBM Workplace[™] and IBM WebSphere[®] for retail software provide the collaboration and infrastructure support to extend business benefits across your enterprise and beyond.

IBM Business Consulting Services offers deep experience in the retail industry and data warehousing experience, and IBM Integrated Technology Services can help you manage the entire technology lifecycle. Meanwhile, the IBM global network of Business Partners is constantly developing new applications to help you get even closer to your customers—and ahead of your toughest competition.

For more information

Today, in the face of unrelenting change and unprecedented competitive pressures, no retailer can afford to impose limits on its knowledge or freedom to act. Through the Retail Business Intelligence Solution, IBM can help you jumpstart your data warehousing efforts so that they unite your entire organization behind common goals, and equip

your enterprise with rare insight and powerful, precise control over its future. You'll have access to solutions from the widest possible range of best-of-breed application providers. And all along the way, you'll be working with the recognized leader in advanced, broad-based retailing technologies—allowing you to focus all the more on the unique opportunities and competitive advantages that the RBIS can reveal.

To learn more about the IBM Retail Business Intelligence Solution, contact your IBM representative or visit:

ibm.com/industries/retail



At ValueTrend

10:40 a.m.

Later that morning, back at ValueTrend headquarters, additional data continues to come in on both of the titles.

The VP of marketing leverages the IBM RBIS advanced analytics capabilities to identify cross-selling opportunities based on today's book sales. The tools reveal that buyers of the books are also above-average prospects for fondue sets—though the title is not focused on fondue. Copies of the titles are placed in and around a display of premium fondue sets. Soon even more titles are flying out of ValueTrend's gourmet cookware departments—and the chain also experiences a 30 percent increase in premium fondue set sales.



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