



# **Six Keys to Smarter Cross Channel Integration**

---

Focus on what matters most to grow your bottom line

## Introduction

Multi-channel retailers don't need to be told that their industry is one of the most complex business ecosystems. You live it every day. You're looking for greater visibility into the dynamics of your sales channels, products, distribution, and suppliers to get the right goods to the right customer at the right time. You need to meet your goals and do it profitably.

But with the vast amount of information generated by systems specific to your web, store and direct operations, and the rapid pace of change in your business — it is very difficult to gain the visibility necessary to make timely, effective decisions.

Simultaneously, you are also dealing with many of these complexities:

- Product seasonality
- Multiple distribution channels
- Numerous partner and supplier relationships
- Huge amounts of offers and price lists
- Difficulty allocating costs to different products, customers or brands
- Disparate information management systems
- Legacy data in outdated formats
- Data, data, and more data

How do you understand and focus on the critical business areas that will drive your top and bottom line? How do you acquire and retain customers cost-effectively in today's retail environment, where choices abound and brand loyalty has lost its luster? How do you effectively make decisions and track ROI across your business when key information is trapped in multiple channel specific systems and applications?

### ***View Your Business Inside and Out. Sound Easy?***

If you're like most multi-channel retailers, one of your greatest challenges is to understand your business as one company, not as different channels, different products and different customer segments. Lack of real-time inventory information and one enterprise-wide view of the customer, as well as apples to oranges comparisons of data, all contribute to this challenge.

To overcome this you need key performance indicators (KPIs) and metrics that provide everyone in your organization with a common view of the data they need to make decisions. That may seem like a daunting task – linking different silos of website, catalog and call center, inventory and product information, and frequently brick and mortar storefronts. Chances are that in your evolution as a multi-channel retailer, your information systems have proliferated with enterprise and channel-specific applications, not to mention a legacy system or two.

In order to have true visibility you need a retail intelligence system that will integrate and roll up the information from all of these disparate systems to provide you with a real-time, integrated, enterprise view of metrics and KPIs across your entire company — its channels, products, regions, operations and customer segments.

In the past, this would have required a massive business intelligence (BI) initiative and a significant investment, involving numerous software packages, systems integrators, data architecture decisions and implementation projects. Today, new technology and business models are available that are quicker and easier to implement at a fraction of the cost.

### ***A Prescription for Getting the Insight to Set You Apart***

This white paper outlines six key ingredients to focus on when evaluating technology solutions for multi-channel integration. Finding the right retail intelligence system to provide you with greater visibility into your business' performance starts with:

1. Information you can depend on and everybody trusts
2. One shared view across your company from executives to functional teams
3. Alignment with how you do business today and the flexibility to change as you grow
4. Visibility in weeks, not months or years
5. Minimizing the impact on IT so resources can shift to other high impact projects
6. Finding one provider for the entire system so you are not the general contractor

# 1. Do you believe your numbers?

How many different groups produce the same metrics? How often are the numbers the same? Who has the definitive source of truth? How much time do you spend reconciling different numbers for the same metric?

Retailers are overwhelming their organizations with metrics, measures, key performance indicators, reports and dashboards. These come from different systems, teams of analysts, the finance group and the data warehouse.

The result is that people believe their own metrics and not those from others. Or worse, nobody believes any of the metrics and business continues to operate on gut feel.

## ***One Version of the Truth***

If you don't have to spend time questioning the accuracy of your data, you can focus on what to do with it. To move to one version of the truth, you need one system where everybody goes for information that has unquestionable accuracy. Traditionally this was an enterprise data warehouse; however, data was often phased in overtime which resulted in incomplete information.

To provide a single system that everybody trusts, you need to ensure that the following key capabilities are in place:

- One system where everyone goes to access the information
- Assurances that the data loaded into the system at the start and the daily updates are cleansed, ensuring accuracy
- Security and role-based access so people can only see what they are allowed to view
- A trusted location, preferably not residing in any single department

This calls for a highly secure, highly accurate set of data that anybody can access, based on their level and role in the organization. Until recently, this was merely a dream. Today it is reality.

**Your business needs to be 100% confident that everyone is looking at the same set of accurate data.**

## 2. Can you see your business from top to bottom?

Are your executives and functional teams looking at the same data? Are the merchandise managers, inventory planners, catalog marketers and financial analysts looking at one set of data from the same source? And when you identify a problem, can you easily drill into the business to find out its source?

It is difficult to get one view of the business from all different angles.

- Executives and functional managers want to see the same data with the same metrics. However, executive dashboards are built for executives and functional dashboards are built for functional teams — often from two different sets of data.
- Vice presidents want to view their function with a complete set of data – some that sits in their department and much that sits outside of it.
- Data needs to be viewed inside out. Once an issue is raised, you need a direct path to the data to discover root causes.

Often each function is looking at data from systems that sit within its control. For example, merchandisers not only want to know demand for each product, but inventory on hand, in transit and open to buy. They want product margins that account for costs beyond vendor cost. Each of these metrics requires data from multiple databases across functions. They often don't have access to sources outside their control.

### ***One Shared View Across Your Company***

Your retail intelligence solution will be most valuable if it can integrate the information from all of your relevant systems and deliver standardized reports so that everyone's looking at the same data. A single view of the data ensures accuracy and puts everyone on the same page. This will provide senior management with rapid insight into daily performance in finance, merchandising, channels, suppliers and customer segments. And functional managers can view reports that feature the metrics most relevant to them and quickly drill down to get answers to their most pressing queries.

For example:

**Executives** look at the big picture of flash sales and daily operations, with visibility into revenue and margins, as well as product lines, channels, customers and business unit performance.

**CFOs** focus on revenue trends and margins across products, channels, customers and businesses.

**Merchandising and Planning** needs assortment planning and analysis reports to optimize inventory, the ability to plan, forecast and aggregate product demand across channels, manage product assortments, merchandising, pricing and discounting, and behavior across customers and segments.

**Direct marketing** requires immediate access to product demand across web and catalogs to assess campaign, catalog and list performance reports, and understand promotional opportunities within the customer base.

Look for a retail intelligence solution that will enable you to configure reports and KPIs for each function and role. Select a solution that has the functionality to drill into the data so that you not only see a problem but are able to understand and resolve it.

Find a solution that will enable you to optimize for what the entire business needs, not just one particular task. Reports should enable you to draw a line directly from the strategic initiatives of the senior team to the tactical activity. With retail intelligence that allows you to respond quickly at a tactical level based directly on a strategic imperative, you'll drive greater profitability and business growth.

**The entire organization from top to bottom should be looking at one shared view of business performance across the company.**

### 3. Who knows your business better than you?

How much does your company need to change to adapt to a new business intelligence system? Are you following the traditional approach and defining business requirements, then designing the system, building it and rolling it out? Do you really need to go through all of those steps?

The traditional model requires you to “teach” the consultants about your business so they can design a system to fit it. Inevitably there are compromises where the system simply cannot change to meet your needs. Or making changes to accommodate your model is prohibitive due to the high cost of customization. How soon after the business intelligence system is up and running will there be a change to the business that requires a change to the system?

In the end, you’re left with a system that is either just what you want but costs you three times what you budgeted or you’ve adapted with a series of compromises that don’t really fit the bill. Adding new metrics, a new database or reporting for a new functional group should be easy, but it’s not. Forget about adding in data from a newly acquired company, that’s a year away.

#### ***A Reporting System That Flexes with Your Business***

Reports exist so that you can understand your business better — how is it operating and where do I need to fix it? The multi-channel industry changes rapidly with selling seasons, special promotional programs, new brands and product lines, new channels and acquisitions.

Many BI systems vendors have dashboards and KPIs that apply to any business. However, few have deep experience in retail, understanding the complexity of multiple channels, demand generation from catalog, email, print and advertising and transactions through the internet, call centers and stores. Even fewer can seamlessly process and integrate the sheer volume and complexity of the data that sits in finance, marketing, direct business, stores, and operations. A conventional BI system won’t fit the bill; you should be looking for a retail intelligence solution.

A retail intelligence solution will have the following characteristics to truly meet your needs. It should be able to:

- Understand the complexities and nuances of the multi-channel retail industry
- Accommodate data from old legacy systems in outdated formats to organized information from packaged ERP or order management systems
- Provide reports, dashboards, metrics and KPIs for all retail functions
- Allow for rapid and dynamic change by easily integrating diverse data sources, newly acquired companies and new types of users with different reporting needs

**Your retail intelligence solution should integrate with and support your business process and behaviors, not the other way around. A smart system keeps up with the dynamics and complexity of your business.**

## 4. Are good things always worth the wait?

How long will it take from the time you select a BI software package until you can actually use it? Can your business afford to wait that long to get the vital insight it needs?

The traditional process to implement business intelligence involves a series of phases that can take from nine to twenty-four months to get up and running. By the time the project goes live, the business has changed and the system is outdated.

### ***Customers Want Instant Gratification or They'll Shop Elsewhere***

Search for a retail intelligence provider that commits to having your implementation fully operational in weeks, rather than months or years. This scenario isn't far-fetched. Traditional BI programs incorporate a medley of hardware, software and consultants, requiring exhaustive management to orchestrate delivery of a functional solution. A new breed of providers delivers software through a new model, allowing you to rapidly convert your business needs into a system which is up and running in weeks.

There are key differences that enable this rapid access to retail intelligence:

- The new delivery models, such as on demand and Software as a Service (SaaS), have pre-built starting points and don't require the software to be implemented at your site
- The provider lives and breathes retail and understands your business, its complexities and nuances
- The provider can recommend processes and best practices as a starting point, instead of looking to you for all the answers or locking you into their preconfigured solution
- The technology and delivery methodology will get you up and running quickly. Be sure that the provider has proven results in the timeframe you need

**Find a company that will get your retail intelligence solution up and running quickly based on a new approach, not just a faster way to follow the same old approach.**

## 5. If you're minding the software, who's minding the store?

How many IT people are focused on maintaining the existing systems you have in place? Do you really want to add another system to their list? How many important IT projects aren't getting addressed because there is too much maintenance work to do?

IT organizations today have more to do with fewer resources. They are responsible for large ERP installations and upgrades, maintaining many different legacy systems, integrating acquisitions, and supporting new business initiatives. Their work is far more complex than it ever was, and their resources are pulled in many different directions.

The result is an IT organization that has to prioritize projects out months or years. Many projects either can't get done or you have to hire contractors and consultants to fill the gaps. Key business initiatives simply don't get addressed.

### ***New Models Free Up IT To Support Your Business Strategies***

Today there are new business models in technology that allow companies to get what they want without having to assume the cost of internal support. Salesforce.com pioneered the model to bring sales force automation capabilities through Software as a Service (SaaS). This model provides easy software delivery without the requirement to buy hardware and software, install it on site, hire IT personnel to administer it, maintain and upgrade it over time, and ensure it is up and running so the business can function.

In a SaaS model, the software vendor has the software running on hardware at a secure facility, has a dedicated team to maintain it, seamlessly provides upgrades in the system, and ensures it is up and running. The first wave of SaaS companies provided a predefined set of functionality, allowing for very minor changes. A new breed of SaaS providers has taken the model a step further. Companies can now get the software configured to their needs. The software can be modified to provide specific functionality aligned to the company's business requirements. IT is typically involved to help manage the initial deployment which often takes just weeks, and to provide some limited ongoing oversight of the system. There is no need to hire systems administrators, buy hardware, upgrade the software and continually provide enhancements to the business users.

You define the metrics and reports for your business the way you like to see them. The business side gets immediate response to its information requirements and the IT organization can focus on the company's critical IT projects.

**Look for a solution that supports your business and frees up IT to focus on important, value adding projects.**

## 6. Can you really get what you want?

How many vendors will it take to get your BI system up and running? Is the thought of sourcing a data integration tool, a data warehouse, and reporting and analytics tools from different vendors daunting? Where do you start?

A typical BI project can involve identifying the internal team of business and IT people, evaluating the hardware required to support the system, defining and agreeing on business requirements, hiring a consultant to help with the implementation, designing the systems, customizing the software, testing it and going live. Do you want to play the role of general contractor, bringing all these pieces together and ensuring they work?

Inevitably you either spend far too much money to get a big BI system in place or you end up spending less and getting less than you need to realize any significant ROI.

### ***All the Functionality in One Package***

Just as retailers are finding it essential to link the information across brick and mortar stores, catalogs, and online operations, it's imperative to have a unified retail intelligence system that is more than just an amalgam of point solutions from different vendors.

A comprehensive retail intelligence solution will handle all aspects of building the data warehouse, integrating data from multiple sources, cleansing and normalizing it for data accuracy, and updating the data when you want it. The analytics, metrics and reports you need should be part of the overall system.

One thing to consider is who should manage the data. If you have the resources in-house to guarantee the accuracy of all of your information from every system in use, by all means do it. But it may be better to have external experts who manage data for a living take on that responsibility. They have the technology and techniques to ensure high data quality, availability, security, relevancy so that you can trust the results.

A few key considerations when looking at a complete solution from one provider:

- Ensure the system is built as an integrated platform and not individual components so that you don't spend time on software integration.
- Find out "what else" is required to actually get the system up and running. Often, a complete system still requires software or hardware from another vendor.
- Ask the vendor to put its skin in the game. If the solution works as promised, a money-back guarantee shouldn't be a problem.

**Find a retail intelligence provider that can supply the entire system and will guarantee your satisfaction.**

## Summary

The best way to improve your cross-channel business is to have a cross-functional understanding up, down and across the company. Empower your team to not only identify an area of over or under performance, but also provide them with the ability to easily drill into your business data to understand the cause of an issue and act on it. Assure the accuracy, relevance and timeliness of the information and you'll have a life line to success rather than drowning in the deluge of data.

Keep in mind that undertaking a massive IT initiative and significant investment in numerous software packages, systems integrators, data architecture decisions and implementation projects is a thing of the past. New technology and business models are available that are quicker and easier to implement at a fraction of the cost.

Strive for cross-channel excellence and take control of the information you need to get there. If you have the information at your fingertips to gain visibility into buying trends, customer behavior and overall operational performance across channels, you'll be a best-in-class retailer and stay ahead of the competition.

### **As you evaluate retail intelligence solutions, keep these important factors in mind:**

1. Your business needs to be 100% confident that everyone is looking at the same set of accurate data.
2. The entire organization from top to bottom should be looking at one shared view of business performance across the company.
3. Your retail intelligence solution should integrate with and support your business processes and behaviors, not the other way around. A smart system keeps up with the dynamics and complexity of your business.
4. Find a company that will get your retail intelligence solution up and running quickly based on a new approach, not just a faster way to follow the same old approach.
5. Look for a solution that supports your business and frees up IT to focus on important, value adding projects.
6. Find a retail intelligence provider that can supply the entire system and will guarantee your satisfaction.

**Expect Guaranteed Results**



## About Oco

Oco's *retail intelligence* provides a fast, accurate, low risk solution to gain invaluable insight into your business. Oco takes data from any system, organizes it into our data warehouse, and produces reports with metrics and key-performance indicators specific to retail. From there, functional groups can easily access relevant analysis through Oco's intuitive, browser-based interface that makes critical business data available at every level of the organization. Accurate information to run retail businesses better, on a fixed cost, fixed time basis, with a money-back guarantee.

Oco, Inc.  
504 Totten Pond Road  
Waltham, MA 02451

Phone: 800.691.8880 US Only  
781.810.2100

[www.oco-inc.com](http://www.oco-inc.com)

© Copyright 2007, Oco Incorporated. All rights reserved.