

Business Intelligence

BI GIVES RETAILERS INSIGHT ABOUT TRENDS AND TIMELY INFORMATION

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» **REMEMBER THE OLD ADAGE, “NO RISK, no reward?”** The savvy use of business intelligence (BI) helps minimize risk and take the guesswork out of the size of the award. BI tools can help retailers tap into the minds of consumers (though analysis of shopping patterns and sales histories) to find out what styles and colors will be this season’s best sellers. It can also be used to determine inventory levels to prevent out-of-stocks.

Using BI tools, retailers become forward-thinkers instead of always looking in the rear-view mirror. They have insight into corrective actions that need to be taken, what business opportunities that need to be seized, and the timing to make planning most effective. And by minimizing risk, retailers are cashing in on greater rewards.

Business intelligence has become so critical to retailers that they are spreading its use throughout the enterprise using dashboards, posted reports and real-time alerts. BI applications include decision support systems, query and reporting, on-line analytical processing, statistical analysis, forecasting, and data mining.

BI helps retailers weigh current and future risk by providing critical input into cost or benefit analysis. Most importantly, BI provides information on how to achieve strategic objectives, optimize performance, improve decision making, and set plans for scenario analysis and forecasting.

BI ON THE RISE

Business Intelligence (BI) is on the rise among U.S. businesses of any size. According to a report by AMI, approximately 37 percent of mid-size businesses and 9 percent of small businesses currently use BI.

According to the 2008 Retail Technology Study by RIS/Gartner, there is clear evidence of a new, smarter future emerging in retailing due to the expansion of BI throughout the enterprise. Today, powerful reporting intelligence is being built into nearly every business process.

EYE ON DEMOGRAPHICS

Before adding sophisticated BI, the technology team at Casual Male, a specialty retailer of big and tall apparel for men, would spend days collecting data into spreadsheets for weekly reports. In July 2007, the apparel retailer began to rollout a retail-specific BI and data warehousing application from QuantiSense. Since the implementation, both Casual Male XL and Rochester Big & Tall Clothing chains have experienced significant benefits.

The apparel retailer now uses a store grading tool to rank stores based on the performance of particular classes of products. This helps the retailer distribute inventory more appropriately, minimizing out-of-stocks and overstocks. The QuantiSense implementation also includes a sizing tool that enables Casual Male to evaluate the clothing sizes stocked in individual stores. Casual Male’s BI tool also gives it the ability to generate exception reports on-demand, navigate through pertinent information on a dashboard and drill down for details. **RIS**

SCORECARD: BUSINESS INTELLIGENCE

The chart below is a comparison guide of product specifications and functionalities in a specific category to help retailers begin their search for vendors in the RFP process. The chart is not a comprehensive resource. Please visit vendor Web sites for further information.

VENDOR NAME/WEB SITE	PRODUCT NAME	SPECIAL FEATURES
Cognos www.cognos.com	IBM Cognos 8 Business Intelligence	Offers an integrated performance management platform. The tool includes reporting, analysis, dashboarding and scorecarding and helps accelerate business growth.
Connect3 www.connect3.com	Shopper Analytics	Provides data analysis to find key traffic drivers and promotional candidates in shopping baskets. The tool analyzes and clusters data to identify promotion candidates.
HP www.hp.com	Neoview	Retailers view business information, such as metrics on product sales, customer trends, production and operational effectiveness to make real-time decisions.
IBM www.ibm.com	IBM InfoSphere Warehouse Enterprise Edition 9.5	Consolidates, manages, delivers and analyzes business information. Analyzes unstructured content with the DB2 Warehouse Cubing Services feature, an analysis server.
Lawson www.lawson.com	Lawson Business Intelligence	Retailers gain organization-wide reporting and analysis via role-based dashboards. It combines cross-functional data into views of financials, customers, and internal processes.
Magstar www.magstarinc.com	Total Retail KPI Dashboard	Dashboards allow users to view comparative data from multiple channels, drill-down to more detailed levels, highlight trends in chart format, and export to Excel.
Manthan Software Services www.arc-bi.com	ARC Integrated Retail Business Intelligence Suite	A retail-specific enterprise data warehouse and BI suite incorporates scorecards, dashboards, cube-analysis, actionable reporting, a Q&A engine, and business monitoring.
MicroStrategy www.microstrategy.com	MicroStrategy Mobile	Retailers can receive the same BI reports on their BlackBerry smartphone that they receive on their desktop, without the need for reformatting or retrofitting existing reports.
Netezza www.netezza.com	Netezza Performance Server Release 4.5	Helps retailers store and analyze sales, inventory and customer data. The system performs complex analytics and reporting without the use of aggregation tables.
Oco www.oco-inc.com	Oco Retail Intelligence Solution	Through a Web-based user interface, this reporting and analytics tool gives visibility to data including financial, merchandising, direct marketing, and store operations.
Oracle www.oracle.com	Oracle Enterprise Performance Management and BI	Provides an Enterprise Performance Management System, including performance management applications, BI applications, BI foundation and data warehousing tools.
PivotLink www.pivotlink.com	PivotLink	In-memory, column-based data store integrates data from multiple enterprise applications and databases. Retailers have the flexibility to design and customize reports.
QuantiSense www.quantisense.com	QuantiSense BI and Data Warehousing Solutions	Helps retailers make better decisions based on insight. QuantiSense’s role-based dashboards and Playbooks help users quickly identify and correct problems.
SAP www.businessobjects.com	BusinessObjects XI 3.0	Helps retailers understand and anticipate shoppers’ needs via instant access to data necessary for improving retail operations and adapting to changing conditions.
SAS Institute www.sas.com	SAS Revenue Optimization for Retail	Automates the application of analytics and optimization to the pricing process to drive sales and margin across categories and stores. Helps improve overall product profitability.
Teradata www.teradata.com	Teradata 550 SMP Teradata 2500 Teradata 5550	The Teradata 12.0 database includes a departmental data warehouse, an MPP platform, and an enterprise platform. All support Teradata Relationship Manager for advanced CRM.
Torex www.torexretail.com	Torex BA	Helps retailers identify and address issues such as identification of shrinkage and performance at the individual product and store level. The tools can integrate with most POS units.