Business Analytics for the Retail Enterprise

ProClarity Corporation delivers analytic software and services that increase the speed at which retail organizations can make informed business decisions. ProClarity ensures maximum return on technology investment and widespread user adoption by delivering solutions tailored around business processes and decision-making workflows. For further information, reach us online at www.proclarity.com, or in North America call (208) 344-1630. For all other countries, please call +31 73 681 0800.

"I need to manage my product categories and promotion effectiveness"

"Users needs keep changing and I can't keep up."

"I need to understand our customers"

"How can I be strategic when I'm constantly fighting fires?"

"I can't seem to ever give them enough reports."

"I need to improve inventory management"

Some of the companies using ProClarity solutions include:

Retail
Ahold
Albertsons
Al Tayer Group
The Body Shop
CompUSA
Edgars
Harrods
The Home Depot
Jiffy Lube
KB Kids.com
L'Oreal
Marks & Spencer
Rite Aid
Savers
Scottish & Newcastle
Sonic Industries

Consumer Packaged Goods
Chiquita
Kimberly Clark
L'Oréal
Nabisco
PepsiCo
Pennzoil QuakerState
Reckitt Benckiser
Reddy Ice
West Farm Foods

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Business Intelligence for the Retail Enterprise

ProClarity

Get Smart

The economy is rough. Competitive pressures are increasing all the time. Customer loyalty seems to be a thing of the past. You're juggling stores, categories, customers, merchandising, and inventory. Yet you still need to maximize profitability and shareholder value. You don't need more information. You need better insights into the information you already have.

That's what ProClarity is all about. We help you transform vast amounts of information—on everything from sales and market trends to customers—into useful, context-relevant and actionable business intelligence. In short, we help you get smart.

The importance of understanding.

The only way to successfully navigate the critical business factors that influence today's retail landscape is by understanding your customers, competitors, and store operations. This understanding enables you to make truly intelligent decisions for the most profitable outcome.

Sophisticated retailers know this. They systematically analyze consumer, market, and sales information, stocking their stores according to what the data tells them about their customers.

ProClarity analytics give you the same power to understand information, helping you drive strategy and tactics and strengthening your competitive advantage.

Turning information into action.

Understanding is critical because meaningful action can't take place without it.

Data when viewed within context and critiqued for relevance becomes *information.*

Information is useful, but when it is combined with synthesis it becomes *understanding.*

When people truly *understand* the key areas of business performance that are driving their business outcomes, they are better equipped to *act* on that insight in ways that drive profit.
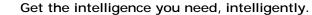
Now think about how greater understanding could impact your retail enterprise. For example, a clearer understanding of your product categories can help you zero in on the most effective price and promotion strategies. A better understanding of your customers can help you boost customer loyalty. And a deeper understanding of your inventory and productivity will lead to greater profits.

> "ProClarity lets the company's senior management closely observe the major drivers of our business. We are able to see relationships and margin-enhancing capabilities that we've never had the ability to see before."
>
> — Steve Ellison, Senior Director of Store Operations, CompUSA

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Get the intelligence you need, intelligently.

Our analytical platform provides an easy-to-use interface for building sophisticated analyses that focuses on four key business areas for retail:

- Consumer analysis
- Category and product analysis
- Supply chain analysis
- Corporate performance

Our ability to deliver a framework for understanding these key retail business drivers makes the ProClarity platform ideal for retail decision makers, who need to work quickly and accurately in order to respond to rapidly changing market conditions.

For example, with ProClarity's category management analysis tool, you can quickly navigate into and isolate the category or product subset of data. A comprehensive set of comparison, filtering, and selection capabilities can then be used to discover meaningful trends and patterns, enabling you to make timely, fact-based decisions.

You can even distribute the expertise of a few individuals and develop and share company-wide best practices that improve decision making. Standardized analytic techniques promote enterprise-wide alignment of organizational goals—and significantly enhance business productivity.

Better decision making starts here.

Inside you'll learn how ProClarity helps retail companies use their key data assets to help understand customers, categories, and inventory to increase profit.

We hope it leads you to a better understanding of how we can help you.

Real World Results

In retailing, there's no room for the hypothetical. No matter what kind of technology you're using, all that really matters is results. By using our analytical platform to make better, more informed decisions, ProClarity customers enjoy the kinds of results that drive business performance, shareholder value and competitive edge.

Custom Food Group

Company Profile: Company Profile: One of the nation's largest regional vending and food service companies, with annual revenue of $100 million-plus.

At a Glance: The company lacked accurate and timely information to control inventory and cash, a key problem in a business where drivers go to customer locations, restock machines and collect cash.

Analytic Focus Area: Inventory and corporate performance management

Solution: An OLAP-equipped data warehouse, with ProClarity as a solution for analyzing the data in the data warehouse.

The Bottom Line:
- Analysis showed CFG was over-servicing 70% of its machines, sending drivers to service machines that were only 10% empty. The company is now saving money by reducing routes and route length.
- 25% of its machines were generating less than $100 a month; CFG moved them to higher-volume locations.
- Reports that previously took weeks to write now take hours or minutes, and accounting closing cycles have been cut in half, from 20 days to 10.

CompUSA
Solution Provides Analytics from Store Floor to Corporate HQ

Company Profile: CompUSA is the largest computer retailer in North America, with more than 200 superstores.

At a Glance: This leading retailer saw opportunity in the ability to be the first to recognize—and act on—fast-changing sales trends in the computer industry. The company required a data warehouse and BI system to link its disparate legacy databases, as well as a flexible, robust reporting system to provide analytics on a per-store, regional and national basis. "Almost anybody can sell a computer, so what's going to give us the competitive edge is the ability to gather data from all our systems and present it in a way that is easy for our people to slice and dice," said Cathy Witt, CompUSA's Vice President and Chief Information Officer.

Analytic Focus Areas: Consumer and Category (product) management

Solution: The CompUSA IT team chose a solution using the ProClarity Analytics Server, deployed in stores as a Web access thin client, and ProClarity Professional, which provides additional reporting functionality and is deployed in regional and corporate offices.

The Bottom Line: Store managers can now quickly find buying pattern trends and react in a timely way to this information. At the corporate level, a daily report that captures a half-dozen key metrics lets the company's senior management "closely observe the major drivers of our business. We are able to see relationships and margin-enhancing capabilities that we've never had the ability to see before," said Steve Ellison, Senior Director of Store Operations for CompUSA.

While the first phase of CompUSA's deployment focused on generating sales reports, phase two integrates order-entry information to drive aftermarket opportunities such as selling a technical assistance program, as well as improved inventory tracking to prevent loss and fraud.

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Reckitt Benckiser
BI Helps World-Leading Cleaning Products Company Shine

Company Profile: Reckitt Benckiser is the global market leader in household cleaning products, with well-known brands such as Lysol, Dettol, Jet-Dry, Woolite and Calgon. The company has operations in 60 countries, sells more than 9 million products per day in 180 countries, and has net annual revenues in excess of £3.5 billion.

At a Glance: The CPG company, formed by a merger of Reckitt & Colman plc and Benckiser N.V., needed a sophisticated business intelligence solution that could provide insight into both financial and non-financial indicators, as well as offering guidance on a strategic, tactical and operational level.

Analytic Focus Area: Customized corporate peformance management

Solution: The ProClarity" Analytics Platform, used in conjunction with Microsoft® SQL Server™ 2000 Analysis Services, provides the technology for a custom balanced scorecard application for the company's global business. The solution gives 2,500 managers, sales staff and employees worldwide a complete picture of their business, enabling them to analyze information more effectively and thereby respond to problem areas more quickly. The solution's ability to deliver 'one view of the truth' to every employee is crucial to the global nature of Reckitt Benckiser's business. "A major part of our industry is dominated by a few key accounts, consolidated nationally and spread across several geographies," said Tony Gallagher, Senior Vice President of Information Services. "When we interact with these customers, we need to view sales and market information for that particular key account in a way that reflects its organization and operation. ProClarity gives us that facility."

The Bottom Line: ProClarity is critical to driving business performance, shareholder value and competitive edge for the company's decision-makers. Reckitt Benckiser expects to save enormous amounts of administrative time with ProClarity by eliminating the need to search manually for KPI details, and ProClarity's short delivery and implementation times and competitive cost have resulted in excellent project turnaround times and attractive capital and annual project costs.

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— Tony Gallagher, Senior Vice President of Information Services, Reckitt Benckiser

McDonald's France
Analytics Make Restaurant Data Easily Digestible

Company Profile: McDonald's is the world's market leader in the quick service area, with 35,000 restaurants in more than 120 countries, including 950-plus in France.

At a Glance: At McDonald's France, high strategic priority is given to the analysis of each restaurant's sales and promotional activities. A database containing all ingredients is used to calculate the cost of each hamburger daily, down to the last pickle. Converting this huge amount of data into business intelligence required the combination of a robust infrastructure and a fine-grained analytic solution.

Analytic Focus Area: Corporate Performance Management and Category management (promotion effectiveness)

Solution: In 2001 McDonald's opted for a solution using ProClarity's easy-to-use, powerful graphical user interface in combination with Microsoft® SQL Server™ Analysis Services. The BI solution was operational by March 2002. The company was able to increase its data volume process capability by a factor of 10, from 20 million occurrences to 200 million. McDonald's France now has 23

new analysis options, allowing the company to further differentiate restaurants depending on geographic location, size, promotional actions, etc.

Insight into the data at each point-of-sale has also substantially improved. Prior to the implementation, 30% of the cash registers were incompatible and thus not connected to the central terminal; now all are connected.

The Bottom Line: The OLAP-based multi-dimensional analytic application offers the following benefits:
- Strategic analyses (sales, cost price, turnover per shift, revenues per product/region) are easier to make.
- Increase in manageable data volume.
- Further refined analysis criteria, due to improved storage capacity and better data handling.
- Much longer retention time for data.
- ProClarity's intuitive user interface provides even better support for decision-making processes.
- No data manipulation required by restaurant owners.
- Support for numerous other applications, i.e. business partners, mobility.

Ahold Czech Republic

Company Profile: This chain of nearly 200 stores operates hyper-markets, mega-markets and low-price supermarkets, serving more than 83 million customers across the Czech Republic annually, with revenues equaling approximately $600 million USD.

At a Glance: A data warehouse and BI solution project that began in March 2000 created a sales, promotions and inventory data mart, then added a management information system delivering key performance information to decision-makers.

Analytic Focus Area: Category management, product, promotion and supply chain

Solution: A three-tier data-delivery architecture is in place, with ProClarity providing the analytic functionality on the front-end.

The Bottom Line:
- Sales, inventory and logistics data is captured with daily granularity, and delivered to decision-makers by 8 a.m.
- The solution has become a competitive advantage for Ahold. More than ever before, they have speed and effectiveness in control over their most important business processes.
- Measures such as gross profit, margin, daily inventory and stock turns are easy to define and maintain with ProClarity.

IT departments are in the unenviable position of not only being responsible for managing the corporate data warehouse, but also for providing a means of sorting through and understanding the data held within it.

It's clear that traditional Business Intelligence (BI)/reporting solutions are not meeting the needs of an increasingly dissatisfied business audience—especially given the unique set of business and user requirements specific to the retail industry.

The technology behind understanding.

The power of enterprise understanding.

There are four key ways in which the ProClarity Analytics Platform differentiates itself from traditional BI technologies.

- **Breakthrough Navigation.** ProClarity enables true understanding across the enterprise through advanced navigation capabilities. ProClarity provides train of thought, hierarchical navigation and unencumbered exploration for "what if" scenarios while providing a connection to structured and unstructured data.

- **Advanced Visualization.** ProClarity has a variety of advanced visualization formats, including score carding, digital dashboard, scatter plots, web delivery, and our patented decomposition tree, which facilitates information assimilation.

- **Centralized Business Logic.** At the heart of the ProClarity Analytic Platform is the ProClarity Analytic Server, which acts as the central storage repository for company-wide definitions of business terms and logic. This removes the productivity problem of multiple versions of the truth. For example: What is a customer? What are our overall Key Performance Indicators for store operations and inventory and how were they calculated? With the ability to centrally define and store your unique analytic definitions on the ProClarity Analytic Server, the answers to these types of questions are no longer subject to interpretation while the intellectual property of your advanced business analysts is propagated and leveraged throughout the enterprise.

- **Adaptable.** Because the needs of your enterprise are constantly changing, you need an analytic platform that can evolve with those variables. The ProClarity Analytic Platform is a fully customizable technology platform that can grow with your company. ProClarity fully integrates with your existing infrastructure and is fully customizable, allowing you to add, change, or eliminate functionality—even to the individual user level—and will conform the varying levels of user skill or scenarios.

Scottish & Newcastle Retail

Company Profile: A leading U.K. restaurant and hospitality company managing almost 1,400 pubs and pub restaurants and generating more than £900 million in revenues annually.

At a Glance: The company needed a solution that could provide hourly food and liquor sales across all 1,400 outlets, but its existing data warehouse couldn't accommodate the large quantity of data needed to support the desired analysis levels.

Analytic Focus Areas: Category management, consumer and supply chain management

Solution: Scalability was addressed with Microsoft SQL Server Analysis Services. ProClarity was selected as the front-end for decision makers because it offered the most robust and sophisticated analytic functionality.

The Bottom Line:
- Ease of use, sophisticated analytic functionality and extremely easy deployment.
- Analysis for a wine promotion took less than 30 minutes, saving three weeks' work.
- Monitoring daily sales of individual products across 1,400 outlets.
- Analyzing hourly food and liquor sales across 1,400 outlets.
- Managing the effect of changes to cost on profit margins.
- Providing a centralized financial planning application as well as performance management reporting across the company.

"ProClarity enables me to use information to drive strategy and tactics, which puts us light-years ahead of our competition."

TK from Julie

John P. Smart - CIO, Big Corporation

Make better decisions, faster.

The increasingly competitive retail environment—coupled with new economic realities—is driving the need for new tools and approaches to decision making. At ProClarity, we believe that the true benefit of business analytics should be improved business process efficiencies and effectiveness that result from making better decisions, faster—not simply delivering data to decision makers.

As a result, we take a unique approach to implementing analytic solutions to the enterprise. We provide an open, component-based platform for delivering custom, web-based analytic applications that conform to the decision makers' needs. Compare this to the legacy approach of making decision makers conform to the way BI tools work.

At ProClarity, our goal is to go well beyond legacy BI solutions by turning information into enterprise-wide understanding. While doing this, we understand that our analytic solutions must be easy to use and deploy, fully customizable, centrally manageable, and extensible.

The result: increased user adoption, enhanced user productivity, and increased IT productivity.