

DECISIONS, DECISIONS, DECISIONS...

Putting the 'business' back into business intelligence

By Richard Clarke, Practice Lead for Retail Consulting, Fujitsu Services

Success in retail is all about making the right decisions. Every day retailers make thousands of planning, ranging, pricing, promotional, allocation, logistics and staff scheduling decisions - all of which directly impact the customer experience and the overall bottom-line.

AUTHOR



Richard Clarke is our Practice Lead for Retail Consulting, responsible for providing consulting services to retail clients across the UK, Nordics and Continental Europe. With over eighteen years in retail, Richard has worked at senior levels in industry and consulting, in both strategy and operations. He specialises in helping retailers deliver the right multi-channel customer experience and commercial performance via the key trading levers - range, space, price, promotion and store operations - supported by practical and results-based business change. Richard has authored past publications on retail issues and is a regular commentator and conference speaker.

richard.2.clarke@uk.fujitsu.com

Tesco is a shining example of a business using knowledge about its customers to make better decisions to drive loyalty. Mining information on its Clubcard customers helps it understand shopper behaviour; it is then able to feed this through the business to shape local offers, target personalised promotions and ensure the right product is in the right locations.

But ask most retail operators about the information they are provided with or have access to - data, reports, analysis - to make these decisions and the responses are often very mixed. "Reports are often late", "It is hard to drill down in to the data to understand what is really happening", "the team in IT try their best but I don't think they understand what we want", "my flash reports on a Monday are 90 pages long", "it would be great if someone pulled out the key insights about the promotion before the reports came to us", "I just wish it was easier to action the reports but I have to change systems all the time" - these are probably remarks we all recognise.

So why is it like this?

Why is it that 'business intelligence' seems to be skewed more to the complex 'intelligence' than the simple 'business' requirements for decision support? Why is it that reports are often late, hard to decipher and difficult to action easily? Why is it that you need a PhD to work the analytics tools? Why is there often a gap between the business users and IT?

There are some more obvious reasons why the whole BI process is more difficult these days...multiple channels, the need to include customer data in the analysis, the need for near real time information to be more responsive to trading, the reliance on one or two individuals in the business who know how to work the analytics tool or translate a business need into a report. These won't make life easy.

But they don't in our view explain why there hasn't been a fundamental shift in solving some of the common gripes listed above. We think there is a need for more radical action, for putting the 'business' back into business intelligence. Whether you are in marketing, trading or supply chain we think there should be greater demand for the following:

My Dashboard

Distributing the same unedited reports to time-poor business users on a Monday morning is no longer viable in today's competitive environment. Dashboard or portal technology exists today so that the relevant reports and information you need to do your job are available when you boot up your computer in the morning. The trading director sees headline reports, the merchandising assistant can see range level reports with the option to drill down to diagnose performance. No longer will you have to wade through the reports you don't need to find the one report you do need.

Action-based Reporting

Here is an everyday scenario... you want a report that can be used to ensure bestselling product is ranged to all stores and on-line, it is hard to know how to make this a simple process. In response to this common problem, high performing retailers are increasingly ensuring that any report request is tailored to the relevant business process in terms of data, reporting frequency and actionability. In this case, the report would be set up so that the analysis and format make it easy for the merchandiser to action range & store allocations. Using a dashboard you can also switch easily from the reporting/analytics tool directly to the merchandising system. No reason anymore why those range changes are left unactioned in the in tray.

Broker Analysts

There is an assumption - amongst senior

retail folk - that loading a black box analytics tool onto someone's PC will automatically solve their decision support needs. In reality, it will often complicate and prolong the process of extracting business insight to make the right decisions every day. How many times have you stayed late in the office to slice and dice reports off the data warehouse, convinced you will find the golden nugget of insight in the next report? To get around this retailers are increasingly letting analysts analyse, buyers buy and merchandisers merchandise. Small teams of highly skilled analysts are preparing, filtering and feeding the right insights to the decision makers for validation and action. As the volume and complexity of data mushrooms, buyers and merchandisers are no longer able to crunch and drill down in to the data to find the answers they need - let the experts do it in half time. These analytic teams - sometimes 2 or 3 people - are both in or out of house (DunnHumby); the key point is that you recognise core competencies and avoid the assumption that only the trading team knows best.

Keep it simple - not a bad recommendation in retail. Most successful retailers focus on one core value and execute it well - Tesco (value), John Lewis (service), Primark (price), Amazon (range). When it comes to providing the business with the information to make the right decisions, simplicity is also important. Monday morning reporting, weekly availability stats, range review analytics - the list of reports is long and potentially complex. That is why tailoring reports to the needs of the user, focusing on how you will action a report (not data for data's sake) and recognising who is best to do which part of the reporting and analytics process are all critical requirements for successful decision-making, improved performance and customer satisfaction.

Richard would welcome your comments by email richard.2.clarke@uk.fujitsu.com or at uk.fujitsu.com/opinion