

CASE STUDY

CARPETRIGHT

NEW ELECTRONIC POINT OF SALE SOLUTION TRANSFORMS THE WAY CARPETRIGHT DOES BUSINESS

»FUJITSU DEMONSTRATED EXPERIENCE, PROFESSIONALISM AND A GENUINE UNDERSTANDING OF THE PRESSURES FACING THE RETAIL INDUSTRY; THAT'S WHY IT COULD DELIVER A SOLUTION THAT MET OUR NEEDS AND TRANSFORMED OUR BUSINESS«

IAN WOOSEY, GROUP IT AND E-COMMERCE DIRECTOR, CARPETRIGHT



THE CUSTOMER

- Carpetright plc is Europe's leading specialist floor covering retailer.
- It trades from 703 stores in the UK, the Republic of Ireland, Belgium and the Netherlands.



THE CHALLENGE

- Carpetright needed to upgrade its 586 UK & Ireland stores as the current Electronic Point of Sale (EPOS) and stock system was largely paper-based, resulting in increased administration, inaccuracies and low visibility of available stock.

THE SOLUTION

- Fujitsu worked with Carpetright to supply, install and maintain the in-store hardware required to support a new EPOS solution that would replace an archaic paper-based system. Carpetright's software supplier provided the in-store software solution based on Microsoft Dynamics.

BUSINESS BENEFITS

- **BETTER STOCK VISIBILITY AND MANAGEMENT:** A unified Fujitsu hardware and Microsoft Dynamics software solution minimises stock loss and tracks stock levels and availability more accurately and in real-time.
- **BETTER CUSTOMER SERVICE:** Sales can be completed and processed on the shop floor in less than two minutes and the complex procedure of ordering, delivering and fitting carpets is simpler.
- **MORE STAFF RESOURCES:** 500 administrative staff have been retrained in customer-facing positions.
- **ONGOING RELATIONSHIP:** A new flexible agreement delivers the same service levels even though service costs are 22% lower through the use of Fujitsu's Lean and Sense & Respond methodologies.

CHALLENGE

Carpetright plc, Europe's leading specialist floor covering retailer, sells a wide range of carpets, rugs, vinyls and laminates together with associated accessories. Following the acquisition of Sleepright in December 2008, the company extended its product offering by selling beds and accessories throughout the UK. The Group trades from 703 stores, organised and managed in two geographical segments; the UK and the Republic of Ireland and the 'rest of Europe', comprising the Netherlands and Belgium.

In 2005, Carpetright undertook a complete overhaul of its IT infrastructure, examining ways to improve back office functions and store-based technologies. By growing both organically and through acquisition, the company had attained a heterogeneous collection of complex legacy systems which had become unreliable and expensive to run.

"It was a real mixture of systems that prevented us from having an achievable IT road map and indeed made daily business operations inefficient and difficult to manage," explains Ian Woosey, Group IT and e-Commerce Director, Carpetright. *"For example, most of our in-store cash handling and ordering was outdated and we had an archaic paper system that caused huge amounts of problems. Stock control and ordering was similarly manual and plagued with inaccuracies. Furthermore, manual systems are easy targets for fraud and demand the full-time attention of at least one dedicated member of staff. Automating the store-side infrastructure therefore became a priority."*

To retain a competitive edge, the company clearly needed to upgrade its in-store technology. Carpetright put the project out to tender in two distinct parts. One partner would supply, install and maintain the in-store hardware whilst a second partner would provide the in-store EPOS software solution.

"We needed partners with retail experience, the ability to scale and the expertise to handle such a massive change in infrastructure," adds Ian Woosey.

SOLUTION

Fujitsu was successful in its bid to supply, install and maintain the in-store hardware and now works in partnership with a leading supplier of Microsoft-based in-store solutions for POS.

“In terms of retail knowledge and hardware, Fujitsu ticked all the boxes,” states Ian Woosey. “The company has national coverage, proven experience in the retail industry and competitive pricing.”

Beginning in 2005, Fujitsu worked with Carpetright to refit 450 stores but the process was complex.

“Our line of business is not the same as most retail outlets. Customers don’t simply come in, choose an item, purchase it and take it home or arrange for delivery. The nature of carpet-fitting has multiple factors: there is the type of carpet itself; accessories such as underlay; and the fitting process frequently takes place over several days as different rooms in the customer’s house get decorated in turn,” continues Ian Woosey.

“This process has to be finely orchestrated to ensure customer satisfaction and requires optimal visibility of stock across all stores and warehouses. No traditional POS systems completely matched our needs. However, we sourced a Microsoft Dynamics solution and then worked with Fujitsu to develop a deployment schedule that would transform 570 stores over 18 months.”

Carpetright selected Fujitsu’s IMAC (Install, Move and Change) and break/fix services. IMAC ensures the hardware with its preconfigured POS software solution is delivered and installed correctly. As part of the on-going support, Fujitsu’s break/fix services guarantee a four-hour resolution to critical failures and deliver next-day response to less critical issues.

The timing of the roll-out was particularly sensitive as it coincided with the installation of new furniture and telecommunications equipment and staff training on the new system. Several Fujitsu teams worked geographically, taking up to a day at each store to install the equipment. Working in unison, they brought 20 stores per week onto the new IT system at the height of the deployment, completing the full rollout in 18 months. Since then, the teams have also transformed new outlets that have joined the group following the acquisition of Sleepright, Storeys Carpets and CarpetWorld, with Fujitsu adding POS configuration to the services provided.

IMPACT

The new infrastructure had an immediate impact on performance; an impressive feat considering the initial scepticism of staff.

“Although some of sales staff were initially rather dubious about deploying the new in-store hardware across all site, when they saw how the various Fujitsu teams co-ordinated their part of the project, enthusiasm for the new IT system soared,” says Ian Woosey. “The fact that Fujitsu hardware combined with the POS software was so user-friendly even converted the most cynical staff.”

Better stock control is an immediate benefit of the deployment. The new IT system offers a perpetual inventory which provides total stock visibility. Staff simply scan a barcode and know exactly where a carpet goes. In comparison, the earlier paper-based system made it difficult to distinguish between customer, display and remnant stock, leading to confusion and frequent stock outages.

“By unifying the powerful hardware and software solutions, our stock loss figures have been reduced dramatically, improving the customer experience enormously,” adds Ian Woosey.

“Customers can come in, choose their carpet, accessories and fitting dates and know exactly what is available and when it can be delivered by consulting the salesperson’s handheld device. In fact, we can complete a sale in less than two minutes. We can even keep track of stock across all our stores and reallocate it when necessary. Compared to the complex, time-consuming and inaccurate methods employed previously, the new system has been transformative.”

The new system has also boosted productivity by eliminating mountains of paperwork. Carpetright has trained 500 administrative staff for more important customer-facing roles. Moreover, the system is designed to incorporate new store applications such as timesheets and expenses claims at any time, making it future-proof.

“Fujitsu demonstrated experience, professionalism and a genuine understanding of the pressures facing the retail industry; that’s why it could deliver a hardware solution that met our needs and transformed our business,” reveals Ian Woosey.

Carpetright has recently renewed its services and supply agreement with Fujitsu and will now receive the same service levels to 586 stores with service costs 22% lower, thanks to Fujitsu’s Lean and Sense & Respond methodologies.

“We’ve just extended the relationship for another three years including supply, support, maintenance and POS configuration. We’re also working with the Fujitsu team to explore new technologies so that together we can continue to evolve Carpetright as a business,” Concludes Ian Woosey.