



...with Chris Gates, Director of Retail Solutions  
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## 1 WHAT TECHNOLOGY CHALLENGES ARE HITACHI CONSULTING SEEING IN THE UK RETAIL SECTOR?

Retail pursuit of growth through multi-channel initiatives, internationalisation and the tailoring of brands and ranges to different consumer groups is driving significant complexity into the way retailers are operating. In this context, information systems are being asked to help retailers navigate, masking the complexity of the organisation, but providing access to the right level of information to enable consistently good decision making.

It is also no longer sufficient for information systems to be available “on demand” – there is an endless supply of potential information sources, and the noise can be deafening. Information must be embedded within the actual business processes, in a form that makes sense to the decision maker, and wherever possible, highlighting action to be taken, if not actually automating actions that don’t require intervention.

## 2 HOW ARE RETAILERS ADDRESSING THESE CHALLENGES?

Retailers are attempting to pull together an integrated view of how the different parts of the business are performing, by pulling the rich sources of operational data into their corporate information systems, organising it in such a way that patterns within the data become visible and actionable. A good example of this is the desire to achieve a single, integrated view of the customer, enabling the next-generation retailer to better understand and connect with their customers.

The leading retailers are thinking holistically when considering change to reflect people, process and technology, and making sure that any change is anchored in the business process, has clear benefits, and is being actively

sponsored from within the business functions. Merchandising, promotions and marketing can be tailored to provide timely, targeted and relevant offers. In many ways this is the Holy Grail for retailers, but the tools retailers are using to manage their business in the face of this fast-paced complexity are proving less a source of insight and more one of frustration.

## 3 HOW WELL ARE THEY DOING?

Retailers still aren’t getting the insight they need. Hitachi Consulting UK’s Retail Vision Report: 20 Technology Challenges from 20 Leading Retailers, retailers highlighted ongoing frustration across most job roles, lack of business insight, and inadequate reporting from their existing Business Intelligence systems as a real hindrance to success.

Our research found it is not due to lack of previous investment in BI, or a lack of leading BI tools being deployed. In fact, every single retailer we polled has deployed market-leading BI systems, and in some cases four or five different ones are being used. But the information gaps still exist and the ability to keep pace with business change is still widening.

## 4 SO WHY IS THE GAP STILL WIDENING IF RETAILERS ALREADY HAVE BI TOOLS IN PLACE?

It is not the BI products themselves that are failing here, but rather their deployment and subsequent usage that are failing to bridge the gaps in retailers’ knowledge and ability to keep pace with business demand. Addressing the challenges around the successful deployment, implementation and integration of BI systems is core to achieving the business agility retailers so need right now to succeed.

## 5 WHAT’S THE KEY TO GETTING VALUE FROM BI INVESTMENTS?

The underlying key to the success of BI projects is to engage with the main business users and leaders, and to start by discovering what decisions they are making and what information they need and when in order to make those decisions. Then understanding what capabilities exist in the toolkit, and how they can be marshalled to deliver the insight needed to make consistently good decisions. That way proper BI-enabled integration and access can cut through organisational and business complexity to provide a clear view of how the business is doing and where it is going. It’s true that the modern retailer is primarily an information business – having the right tools and processes in place to enable commercial teams to make the most of the vast information it possesses and offers the greatest potential to transform retail performance.

The other key learning that is particularly relevant for business intelligence within retail is to do what Hitachi Consulting call “Think Strategically, Act Tactically”. Within our value conscious and impatient retail organisations, the temptation is always just to do one quick win after another – however, without a clear roadmap this can lead to you somewhere you certainly don’t want to be.





The opposite is equally dangerous – a major strategic project with a big bang implementation does not work in retail. Short delivery cycles, focused on business benefit, working in parallel with the more fundamental changes that are often needed, is the only way to go. We work to quickly deliver the strategy, and then to build the journey plan which clearly shows the steps to get there, and the value that is unlocked at each step on that journey.

#### 6 WHAT ARE THE AREAS RETAILERS SHOULD FOCUS ON?

Retailers should look at current BI strategies around the following core business-critical areas to maximise their BI technology investments and provide the insight required for growth and profitability.

- Customer and Channel (sales, marketing, and customer service) – to sell, market and support products and services more effectively.
- Product – weekly line level performance analysis and category analysis to identify and optimise the best sellers and minimise the impact of poor performers.
- Corporate Management (finance, information technology, human resources, and strategy) – manage and run retail operations more efficiently.
- Supply Chain (procurement, manufacturing, logistics, social responsibility) - efficiently manage and optimise procurement, supplier relationships and time-to-market efficiency.

#### 7 WHY IS THIS SO IMPORTANT?

The ability to successfully mine retail data, to access, manipulate and present the information it holds, will be even more essential for forecasting and planning by retailers moving forward, as the complexities of their businesses increase, and it is less and less practical to work at the level of detail where the real value lies. By focusing on the people, technology and processes deployed around BI in each strategically important area, retailers can tackle information silos by closing data gaps with integration, standardisation and centralisation, to become as agile and proactive as market pressures require. They can keep track of customer demand and become faster in bringing the products into their target markets to become a next-generation retailer.

#### 8 WHAT OTHER ADVICE DO YOU HAVE FOR RETAILERS LOOKING TO ADDRESS THIS SHORTFALL?

Retailers need to look again at the way they are deploying and integrating BI systems and tools to overcome information challenges and cut through data complexity. Sitting across operational systems, a unified and process-led BI system will help decision makers operate at speed, while managing finer corporate and operational detail. The shrewd deployment and use of BI within today's retail businesses can help reduce costs, increase profits, improve efficiency, productivity and accountability, and provide the insight required to be successful and profitable even within these challenging times.

**To download a copy of Hitachi Consulting UK's Retail Vision Report: 20 Technology Challenges from 20 Leading Retailers, please click here.**

## Why Hitachi Consulting?

- **Retailer Led**  
Hitachi Consulting's retail practice is led by an award winning retailer, with over 10 years retail experience. This translates into everything we do being tied back to the language, the culture and the drivers of your retail business.
- **Approach**  
Hitachi Consulting know your business is an impatient one and value oriented. However, we also know that often retailers will struggle to get beyond the immediate priorities, of which there are many. We use our extensive experience to quickly deliver a pragmatic strategy, and then help you deliver the steps to deliver it in manageable business focused phases – we call this Rapid Time to Value.
- **Qualified**  
Hitachi Consulting only employ experienced consultants, and we hold the top level accreditation from both Microsoft & Oracle. More to the point, we bring the lessons we have learnt and the IP we have delivered to every engagement, to shortcut your time to benefit – there is nothing worse than feeling like you are paying someone to learn on your account.
- **Backing**  
Being part of the Hitachi Consulting family gives us the strength and stability required in these uncertain times; being led by our local management team gives us the agility and creativity to differentiate from our competitors and innovate for our clients.
- **Partnerships**  
Hitachi Consulting actively aims to foster long term relationships that are mutually beneficial, and will be honest and transparent in the way that we work – we will apply the test of “Would I buy that?” at every turn. We actively encourage networking between our clients to enable lessons to be shared. We will flex our approach and our team client by client, to complement what you've already got. And we are highly referenceable. Just ask Tesco, Whitbread, Experian and many others.

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