

7 Case Study

ICTs & Retail Industry Solutions - How IT companies are changing the global supply chain process. A case study of Landmark Group

Dr. K. Karunanidhi
Assistant Professor - Marketing
Dr B. R. Ambedkar University, Srikakulam, Etcherla

Ravi Aditya
Assistant Professor
Acharya Bangalore B-School, Bengaluru

The Rules of Retail have changed. These New Rules bring new opportunities for the retail industry - opportunities that might themselves become game changers. More and more, innovative retailers are resorting to using brilliant strategies, advanced technologies, best practices, and operational excellence - grow revenue by delivering satisfying buying experiences wherever their customers are and whenever they want to buy. Today, many retailers are partnering with software companies to receive innovative business solutions, and comprehensive portfolio of offerings, which help the retailers use these rules to guide them and build deeper and stronger customer relationships, reduce cost and increase efficiency. ICTs help them achieve this through their integrated IT, BPO, and Infrastructure services and proprietary Retail Industry Solutions.

The rapid advancement in the Information Technology has accelerated the support of Customer Relationship Management (CRM) system. The proposition of this research is to find out the economic feasibility of e-CRM in selected retail outlets. Customer relationship management (CRM) system consists of the processes, a company uses to track and organize its contacts with its current and prospective customers. CRM software is used to support the processes viz. information about customers and customer interactions can be entered, stored and accessed by employees in different company departments.

Technology proves beneficial in creating and maintaining customer relationships. Analysis of data collected at the retail point of sales helps under-

stand preferences, buying habits, spending budgets, family needs of an individual customer. Relationships are maintained by utilizing IT for periodical e-mailing, SMS, greetings, promotional letters and personal calling. Retailing growth has demanded IT deployment to broaden its arena and overcome challenges namely Business Optimization, increasing SCM efficiency, innovating shopping experience and other manual limitations.

The Landmark Group is a leading retail and hospitality conglomerate in the Middle East and India. They operate over 1,500 outlets encompassing over 20 million square feet, spread across 19 countries. Starting with a single outlet in 1973, today the Dubai-headquartered Landmark Group sells a broad range of products including general merchandise, furniture, white goods, electronics, baby needs, fashion garments and more. Their core retail brands include Home Centre, Centrepoint, Babyshop, Splash, Shoe Mart and others.

Building efficient supply chains and logistics processes poses many strategic challenges to any global enterprise. Landmark Group has over 15 retail chains in over 1,500 locations across the Middle East and India-the challenge takes on new dimensions. Landmark Group understood that a challenge of this scope could only be met with a proven enterprise solution such as Oracle Retail and partnered with TCS to achieve supply chain excellence.

Business Challenge

Retail and CPG companies are facing a number of challenges due to increasing complexity

of supply chains caused mainly by offshoring of manufacturing. Increased lead times, demand variability and supply disruptions are forcing companies to pile inventories thus leading to opportunity losses and higher cash conversion cycles. Demand forecasting has assumed critical significance in managing supply chains efficiently. Having an agile supply chain network that seamlessly connects demand, supply and product remains the top priority for retailer and consumer companies.

Key to the success of a global enterprise is an optimized and efficient supply chain: knowing where your inventory is, its true cost and its best pricing, when it's been sold and when it's been shipped-and more. From the way goods are imported to the way sales are posted, Landmark Group's logistic and supply chain operations form a unique operational fingerprint-a set of business processes unlike any other.

Understanding the importance Landmark Group chose to address their enterprise challenges by implementing an Oracle Retail solution. They knew the solution had to be acceptable to all their different businesses, and accommodate all their different product lines. They also knew that the Oracle solution would have to be extended in certain areas to meet their specific operational model and retain the group's competitive advantage.

Landmark Group needed an IT services partner that understood not just how to implement the Oracle platform but how to extend it, a company that understood not just technology, but also the complexities of retail supply chain, logistics and financing. In this endeavour they associated with TCS. TCS's in-depth know-how of retail expertise, and experience in implementing Oracle Retail, made them the ideal choice. They specified, designed, developed and supported a solution centered on the base Oracle Retail product suite and a set of bolt-on custom modules to deliver the functionality the Landmark Group required.

The unique challenges Landmark Group faced included understanding how to:

- Improve supply chain efficiency by having the ability to dynamically change the routing and mode of transport for importing goods

- Realize uniform pricing across the Gulf Co-operation Council (GCC) countries for products to manage value added services at supplier or manufacturing site
- Enhance the customer delivery solution to have better supply chain tracking and improve customer satisfaction
- Enhance store replenishment and stock taking processes to minimize stock out situations at stores
- Eliminate manual entry in financials, across multiple sets of books for merchandising operations
- Implement flexible putaway logic to manage space constraints in the warehouse

ICT Solution

TCS addressed all of the Landmark Group's critical and complex requirements with a fully turn-key solution that is named as Genesis: based solidly around the Oracle Retail Suite 13.1, augmented and enhanced to conform exactly to their specific operations, and supported by TCS.

They implemented Oracle Retail 13.1 to take care of central buying, and supply chain operations for the UAE and Bahrain using a single instance of the Oracle suite to support 12 different business units including MFP, ORMS, ORPM, ORAlloc, OReIM, OReSA, ORWMS, ORSIM, OARI and ORIB.

They implemented the same solution across the remaining Gulf Cooperation Council countries. TCS extended the Oracle Retail 13.1 solution to fit Landmark's business needs by:

- Creating a Logistics bolt-on module to manage import, export and multi-leg routing of the supply chain process
- Developing and implementing a large custom module to support the trading business (i.e. Re - Export) and end to end Customer Order Delivery, spread across multiple systems
- Developing an initial pricing engine to factor cost, incidental expenses, and margin to derive uniform pricing across the GCC countries. This is shared with suppliers as a value added service before goods are dispatched

- Simplifying the store return process (very common with very high volumes during end-of-season sales) to better manage stock at warehouses
- Creating a complete bolt-on module to take care of delivery management for customers, primarily for furniture products
- Developing a flexible put away process to minimize space constraints in the warehouse
- Addressing and automating complex financial posting requirements pertaining to the multiple legal entity structure of the Landmark Group across multiple territories
- Developing the bin-based stock count process at stores to improve inventory accuracy and reduce pilferage
- Creating a custom replenishment engine to take care of store needs to minimize the stock out situation at stores
- Implementing Merchandise Financial Planning (MFP) for better Pre and In-season planning
- Assisting warehouse managers to implement physical layout changes and improve operation efficiency
- Integrating Genesis solution seamlessly with all satellite systems to ensure data consistency across the systems
- Providing business cutover, data migration, operational report and warranty support
- Conducting Train the Trainer workshops for approximately 120 users
- Accurate, detailed inventory tracking that ensures proper planning, replenishment and increased customer satisfaction
- Accelerated receiving cycle, reducing the time required to move and sell items
- Improved customer satisfaction through end to end visibility into the customer order delivery cycle
- Enhanced inventory visibility across the group, allowing for a better replenishment algorithm for seasonal and core products
- Increased efficiency and accurate financial recording of all inter-company activities between territories

Conclusion

In today's scenario, it's a very well-known fact to everyone that the customer is the king. This is also one of the reasons that the level of difficulty is increasing day by day to retain customers. With the advancement in IT sector, customers are becoming more and more informed about their purchases. Media is educating them and they scout around for best product, brand name, product quality, operation and service support. In all these customer support is very essential. Organizations aim at satisfying customer's needs and desires. Traditional Customer Relationship Management used to face problems like delay in attending the customer query and delay in extending the timely service support due to manual operations. This can be achieved only with the best practices of E-CRM, as it helps organization provide high quality, interactive multimedia customer support and aims to improve customer acquisition, retention and transactions.

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Results

The Landmark Group continues to derive benefits from the partnership, including:

- Increased return on inventory investment with higher supply chain dynamics, smoother end-to-end logistics flow, and more accurate costing
- Greater control over the business processes and a near real-time visibility of stock and sales across the enterprise

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