

Accenture delivers customer-focused
solutions for high performance
with Oracle Retail


accenture

ORACLE®

High performance. Delivered.

• Consulting • Technology • Outsourcing



Accenture delivers customer-focused solutions for high performance with Oracle Retail

For retailers, emerging technologies, globalization and changing economic and demographic trends are exerting pressure from all sides. How do retailers continue to meet evolving consumer needs while growing and expanding their business? Is the answer in new technology? Better customer service? A more efficient supply chain? According to Accenture's research into high performance businesses and Oracle Corporation's insight into the retail industry, the answer lies in all three areas. Yet, these areas alone are not enough.

Accenture's studies of high performance retailers uncovered three key characteristics shared by all: effective use of customer insight, a relentless growth agenda, and simple and agile operating models. At the same time, Oracle has identified a fundamental disconnect between the planning and execution sides of many retail businesses. When the right hand does not know what the left hand is doing, it's hard to create anything that works well.

Working with Oracle, Accenture is helping retailers leverage technology to chart a course to high performance. With Accenture's experience and Oracle's retail solutions, clients are finding options for growing and thriving in a climate marked by struggle.

Oracle— delivering a complete, open and integrated solution

Just as retailers assemble a complement of products and offerings to suit their customers' needs, Oracle has brought together industry-leading capabilities to deliver an end-to-end footprint.

At the center of Oracle's retail solutions is customer insight—what do retailers know about their customers and how should that inform decisions throughout the retail operation? Infusing customer insight into four key areas—planning, merchandise management, supply chain and stores—means transforming from a set of disparate functions to a complete, open and integrated platform capable of scaling and supporting the business strategies that enable competitive advantage in the contemporary retailing environment.

Planning

Planning is a vital business process for retailers, yet typical forecasting methods can feel like not much more than educated guesses. Oracle Retail Merchandise Planning Solutions use sophisticated mathematical models and optimization routines to create intelligent estimates of future business opportunities, providing a common demand-planning engine that infuses a retailer's operation with customer insight.

Oracle Retail Planning Solutions cover critical planning processes including merchandise financial planning, category and assortment management, inventory planning, demand forecasting, item planning and space optimization.

Merchandising

Oracle Retail Merchandise Operations Management is a scalable, fully integrated but independent group of products that enable retailers to coordinate merchandise operations and maintain a single, comprehensive source of consistent and accurate data across business functions and channels. With these applications, retailers can coordinate product development and sourcing, perform day-to-day merchandising activities, audit point-of-sales data, perform invoice matching, make informed pricing decisions and manage the import process—all on a single platform that is integrated with upstream and downstream business processes.

Supply Chain

Complex supply chains can stand in the way of a simple and agile operating model. Oracle Retail Supply Chain Planning and Execution Solutions deliver replenishment planning, replenishment optimization and collaborative inventory management capabilities to retailers—accurately matching supply with demand to deliver on customer expectations while simultaneously maximizing inventory productivity. By uniting demand-planning functions

with execution systems, Oracle enables retailers to make inventory movement decisions that are informed by customer insight.

Stores

Oracle Retail Point-of-Service provides the flexibility, responsiveness and scalability to meet even the largest retailer's point-of-sale requirements, leading to improved customer service and higher sales. Access to real-time customer, product and market information means more opportunities to turn occasional shoppers into lifetime customers. In addition, Oracle Retail Point-of-Service offers next-generation features that improve customer service and reduce costs, including the ability to process returns for items purchased on the Web, access retail Web sites, fulfill Web-generated orders and look up cross-store inventory.

Corporate Administration

Beyond the four critical areas above, retailers often need assistance integrating corporate functions like marketing, human resources, finance, infrastructure and administration into the overall operation as well. Oracle Retail Solutions integrate these functions so that all aspects of a retailer—from planning through execution to ongoing operations—are working together to improve the customer experience and drive profitable growth.



Accenture— delivering on knowledge, research and experience

Accenture's Oracle Retail delivery centre network provides scale and flexibility

When it comes to implementing solutions for the retail industry—from incremental improvements to enterprise transformation—Accenture has the knowledge and experience. The knowledge comes both firsthand and through industry research. As for experience, Accenture has worked with more than 85 percent of the retailers implementing Oracle Retail Solutions. Accenture's track record includes global projects that focus on business strategy, process, large-scale IT implementation, outsourcing and human performance. The company works with 350 of the *Fortune* 500 retailers and countless others that are on their way to becoming global leaders.

Much of Accenture's knowledge of Oracle's retail solutions comes from the collaborative relationship between the two companies. Whether we are working on research and development or combining efforts to transform a company's operations, the strong relationship and mutual knowledge delivers tangible benefits for clients.

Enhancing this collaboration are Accenture's industry research and its network of more than 50 integrated delivery centers. These centers—which house more than 1000 professionals dedicated specifically to Oracle Retail—offer an environment where experience blends with new ideas, resulting in innovative applications and processes that help boost the performance of retailers.

Retailers working with Accenture have seen benefits throughout their operations, including: a reduction in markdowns by up to 25 percent, increases in inventory turns by up to 20 percent, a reduction in inventory by as much as 25 percent and increases in gross margins by 5 to 10 percent.

Maximizing value for Waldo's Dolar Mart de Mexico

Waldo's Dolar Mart de Mexico—Mexico's largest dollar store chain—implemented a core transaction system in 2002. The solution was later acquired and became the Oracle Retail Merchandising System. Although Waldo's had the technology in place, the retailing giant was not taking full advantage of the system's functions, like automatic replenishment, carton flow picking and pick and drop. As a result, the retailer's distribution center operation was having trouble moving merchandise to the growing network of stores. Waldo's called on Accenture to help it gain further efficiencies from its Oracle retail solution.

After a detailed assessment of Waldo's distribution center operations, Accenture identified 28 opportunities for quick process improvements, which often

meant aligning processes with the Oracle technology. The results have been impressive: The ratio of product available to product distributed increased from 90 to 99.99 percent, which means that the Oracle system and related processes can now account for every piece of merchandise in inventory. Additionally, Waldo's outbound fill rate increased from 88 percent to 94 percent, well within the benchmark of leading retailers.

Oracle's retail solutions and Accenture's insights and knowledge on how to realize the full power of these applications have already helped retailers around the world achieve their goals.

Read about some of our recent successes in the following pages.

Service-oriented architecture delivers service-oriented savings

The IT architecture at a leading North American retailer had become unruly and cumbersome, requiring costly management, application development and support. To reduce the total cost of ownership, the off-price retailer chose a service-oriented architecture (SOA) program for its next generation of technology. Service-oriented architecture is an approach for designing and building flexible IT solutions that enable business process components to be combined more efficiently to deliver services and capabilities for high performance. To achieve the results it wanted, the retailer relied upon Accenture's retail and technology know-how, the flexibility and SOA tools within the Oracle Fusion Middleware Suite, and the successful history of collaboration between Accenture and Oracle.

Using Oracle Fusion Middleware and a variety of Oracle Retail products, Accenture helped the North American retailer build a service-oriented architecture that would

- 1) streamline the quote-to-cash process,
- 2) improve store forecasting, and
- 3) automate accounts payable.

A team of 60 people from the retailer, Accenture and Oracle worked in collaboration with the Accenture Delivery Center in India and the Accenture Innovation Center for Oracle to build a working proof-of-concept and then accelerate implementation.

As a result of this effort, the North American retailer has systems, applications and architectures that are faster and more scalable. With an infrastructure that is more reliable and adaptable and less expensive to run, the retailer has the platform it needs to meet its growth targets.



Bringing home efficiencies for CJ Home Shopping

CJ Home Shopping was already the top shop-at-home retailer in Korea, but when the company set its sights on becoming the most trusted and influential online retailer and marketing service company in Asia, it recognized that its IT infrastructure needed work. Disparate systems made it difficult to make informed or quick decisions about basic operations, let alone more complex strategic endeavors like customer analytics. Accenture was chosen based on past experience with CJ Home Shopping and a solid reputation in retail and with Oracle Retail Solutions specifically.

Together, CJ Home Shopping, Accenture and Oracle transformed CJ Home Shopping's value chain from merchandise planning and operations through marketing, fulfillment and

finance. Oracle Retail Merchandising System v.10 proved to be a flexible and scalable foundation for CJ Home's transformed approach, and user training helped ensure that CJ Home's employees could use the system to its full advantage.

CJ Home Shopping is now using the Oracle Retail Merchandising System to its advantage, expanding operations into other countries and new shopping channels. This growth is powered by an integrated system that enables better decision making through analytics and better execution through improved technology and processes.

Streamlining systems to maintain lean operations

For a retailer selling items for the home in the United Kingdom and Ireland, a key part of its strategy is to have a large selection in a relatively small space, which often means stocking just one of everything. The network of systems managing the retailer's multifaceted supply chain was making strategy harder to maintain, forcing customers to wait for items to be restocked.

The retailer looked to Accenture and Oracle Retail Advanced Inventory Planning to support its approach to inventory. This project was groundbreaking in that it was the first implementation of this Oracle solution anywhere in the world and the largest systems implementation the company had ever undertaken. The retailer also selected Oracle Retail Merchandising System to help streamline

merchandising operations. Accenture brought skills and experience from throughout its organization—including retail, supply chain and Oracle—to enable both systems to meet the company's needs.

The retailer undertook a big change, but it realized big rewards as a result. Streamlined forecasting and replenishment processes allow the company to forecast more effectively and make faster, better supply chain-related decisions. Stock management calculations now happen daily rather than weekly, which keeps orders moving. The new systems can run billions of computations within just four hours. And, with daily deliveries, stores have been able to reduce their levels of safety stock held in inventory to allow for further expansion of their ranges and ultimately increased customer availability and satisfaction.



Printed on 100% recycling paper
using mineral oil-free ink.

Copyright © 2008 Accenture
All rights reserved.

Accenture, its logo, and
High Performance Delivered
are trademarks of Accenture.

Oracle is a registered trademark of
Oracle Corporation and/or its affiliates.
Other names may be trademarks of their
respective owners.

About Oracle Retail

Oracle is the number one provider of innovative and comprehensive industry software solutions for retailers - enabling organizations to serve their customers better by applying insight into daily business decisions for more profitable results. With software that provides supply chain, operations, merchandising, store systems, optimization as well as enterprise applications and infrastructure software, Oracle partners with the world's leading retail companies, including 20 of the 20 top retailers worldwide, to transform the economics of their businesses. For more information, visit oracle.com/retail.

For more information, contact:
Scott Staube, Oracle Retail Alliance
Director, Oracle Corporation
scott.staube@oracle.com

About Accenture

Accenture is a global management consulting, technology services and outsourcing company. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world's most successful companies, Accenture collaborates with clients to help them become high performance businesses and governments. With more than 180,000 people in 49 countries, the company generated net revenues of US\$19.70 billion for the fiscal year ended Aug. 31, 2007. Its home page is www.accenture.com.

For more information, contact:
Richard Murray, Accenture Managing
Partner, Global Oracle Retail Practice
richard.murray@accenture.com