

Retail business transformation

An end to end BT Expedite solution mitigates risk and enables business sustainability for Austin Reed Group, while radically improving sales and customer service



The Austin Reed flagship store in London's Regent Street

“We chose BT Expedite because it was the only organisation that was able to provide a full end-to-end solution together with the essential professional services. This de-risked the project while allowing us to concentrate upon running the business while the implementation was in progress.”

Richard Tewson
Head of IT
Austin Reed Group

Client

The Austin Reed brand has long been synonymous with quality tailoring, and has earned international acclaim for design innovation that seamlessly blends modernity and tradition. Including Austin Reed, CC (formally know as Country Casuals), and International Licensing, the Austin Reed Group trades from some 280 stores and concessions, with eight of those outside the UK. It also has licensing agreements in Europe, the US, Japan, India, and other Far Eastern countries.

Challenge

With Chief Executive Nick Hollingworth's turnaround programme for the business gaining momentum, one crucial area identified was store infrastructure with more than 370 ageing tills and PCs running 13-year-old software. The IT team was stretched to full capacity just keeping those existing business systems operational.

Stock outs were common because tracking sales and inventory relied upon hit-and-miss end-of-day polling using dial-up connections. Although out-of-hours polling helped to some extent, up to 20 per cent of stores failed to poll each day. Stores would then have to be contacted by telephone, further draining IT resources. When the data could not be obtained, replenishment levels were estimated, which resulted in inaccuracies and disappointed customers.

Furthermore, there was no supply chain visibility, so it was difficult to tell customers when an item might arrive. Finally, with no reliable electronic store communication, marketing campaigns were difficult to successfully promote and administer.

These problems were impeding sales growth and having adverse effects on customer service and productivity levels. Richard Tewson, Head of IT at Austin Reed, says: “There was a customer expectation to implement Chip & PIN. In order to remain competitive in an increasingly crowded marketplace we needed to transform our business whilst ensuring that our activities had minimal impact on the environment. A fundamental enabling step would be to replace our entire in-store infrastructures and upgrade our head office systems.”

Solution

Austin Reed chose hardware, software, and broadband network services from BT Expedite. For branded stores, DigiPoS terminals would provide full EPoS functionality including scanning, Chip & PIN, cash drawer, and card processing. In the concession environment, IBM standard PCs running BT Point of Sale and Stock Management software would enable items to be scanned – for sales data capture, stock level enquiry, email, and so on – with cash and card transaction management achieved through the concessionaire's systems.

Case study

Austin Reed Group

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The Mercatus merchandising solution at head office would pull data from the stores and concessions, providing full sales management functionality including supply chain integration. The head office solution would also include the Stock Link application, for full stock availability and order management enquiries within and between stores, while handheld Stock Link Remote terminals would provide stocktaking and other mobile in-store functionality.

BT Expedite undertook all integration aspects of the solution, enabling the entire Austin Reed organisation to function seamlessly together. BT Expedite also provided full project management. Richard Tewson explains: “We chose BT Expedite because it was the only organisation that was able to provide a full end-to-end solution together

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Value

The rollout project was undertaken in two phases. The first wave saw the new solution implemented in 135 stores; followed by 80 concessions in the second wave. Richard Tewson recalls: “The two phases were each completed in a phenomenal four weeks. It reflects the dedication and professionalism of our IT team, our store staff, and the BT Expedite people who worked alongside us. Business as usual was the mantra of the project.”

Austin Reed is now trading on a stable platform with reliability improvements of 83 per cent (compared to a staggering total of 24 system rebuilds a year prior to the BT Expedite implementation). Calls to the IT support help desk have reduced by 57 per cent, improving productivity. As less equipment was required, capital and maintenance costs were also reduced.

The new BT Expedite provided EPoS system and broadband network has enabled 100 per cent polling rates and accurate real time access to store data. The buying and merchandising teams have full stock visibility, which has meant much improved replenishment accuracy. Salespeople have the ability to see stock availability on line, within their own stores and other outlets, for customer product enquiries. Point of sale authorisation times have plummeted by 12 seconds per transaction. Store managers feel that productivity levels have significantly increased due to the new system's intuitive process flow and simplicity.

The new system provides a training mode on the till which has eliminated the need for training managers to travel from store to store. It also empowers store staff to train themselves via the till terminal during quiet times. Richard Tewson comments: “Our customers expect good service from our brands and we knew that improving staff knowledge would be a major contributor to that. The training mode has significantly improved staff knowledge and salespeople feel more confident.” The implementation of Chip & PIN has reduced fraud costs, and an electronic journal module on the new EPoS system has provided the audit team with the ability to track suspect activity such as high volume returns and refunds.

Austin Reed is committed to business sustainability and all communications to the Group's stores are now sent in real time via email. As an example of the benefits of that approach, emailing the weekly newsletter resulted in a paper saving of 52,000 sheets per annum. Apart from the cost and environmental implications, the result was inconsistent sale prices and customer dissatisfaction.

Richard Tewson concludes: “This new infrastructure has provided us with the springboard we needed to take the business forward. We will continue to re-engineer our business processes to further drive sales and efficiency.”

The next phase will focus on distribution centres, and on closing the loop from the stores through to the warehouse and back. Austin Reed is also currently trialling scanning deliveries into stores, and exploring batch scanning instead of scanning individual items, to further improve productivity.

The BT Expedite differentiators

The key reasons for Austin Reed's choice of a BT Expedite solution were:

- In-depth understanding of the industry with a service tailored to the specific needs of retailers
- End-to-end solution with full professional services including systems integration and project management
- Elimination of risk through a carefully planned phased approach to the project and full lifecycle support