



Retail Business Intelligence

Introduction

The Aberdeen Group has conducted numerous studies to understand the success factors of Best-in-Class retailers. The result of their research concluded that leading retailers have several common characteristics:

- Nearly 75% of best-in-class retailers have developed and are actively pursuing to improve Business Intelligence (BI) metrics to manage their business
- Best-in-class retailers are twice as likely to collect, analyze, and integrate transactional intelligence from customer data on a near-real or real-time basis.
- Only a small percentage of retailers have access to integrated BI capabilities including collection, integration of transactional data, data warehousing, modeling and reporting, dashboards, and ad hoc analysis. Because so few retailers have fully integrated BI capabilities, there is a tremendous opportunity to benefit.

The most successful retailers understand that the customer is the central focus of business intelligence. Retailers need to manage and monitor promotions, pricing and new product offerings from competitors. Competitiveness has led to the need for a quicker turnaround of information, time to decisions and visibility to decision-making Key Performance Indicators (KPIs).

Using Epicor Eagle integrated business intelligence applications provides retailers the tools they need to effectively and quickly develop, monitor and manage customer buying habits and purchasing trends. Epicor software analytics tools, Performance Manager and Eagle Compass Analytics gives the retailer an enterprise wide, best-in-class BI tool set that can help retailers succeed in a highly competitive business climate.

Best Practices—Business-Wide Business Intelligence Model

Successful retailers use the following framework to manage and use company wide business intelligence. This framework is focused on the customer. The primary driver for this model is the need to accurately predict and meet customer demand.

The framework involves two basic components:

- Developing enterprise wide Customer Intelligence Guidelines
- Developing enterprise wide Operational Guidelines

5 Characteristics for Success

1. Process
2. Organization
3. Knowledge management
4. Technology
5. Performance management

Simply put, they create a set of measurements that allow them to focus on customer demand and purchasing habits. They then follow it up with specific guidelines for their employees that allow them to monitor progress to these objectives.

Successful retailers make strategic investment in technologies that provide them a set of enabling capabilities. As a leader in retail technology Epicor's business intelligence capabilities provide retailers the following:

- Ability to segment their customers based on purchase behavior
- Ability to generate automated reports and alerts
- Develop reporting based on job roles
- Ability to collect, integrate and analyze customer data
- Ability to establish performance thresholds
- Ability to provide store-level performance data
- Ability to provide performance data at the associate level

Epicor's focus on retail has allowed it to develop technology enablers that help a retailer take advantage of best-in-class business analytics. These enablers include:

- Enterprise data warehouse capabilities
- Executive dashboards
- Operational dashboards
- Scorecards
- End-to-end BI platform that allows easy data access, data integration between the Point of Sale and all back-office applications
- An in-store analytic suite

What Epicor Brings

Managing a business in today's highly competitive environment requires more insight and faster decision making. It means businesses need to be more agile and proactive to compete effectively. But, measuring business performance can seem like an impossible task. Why? Because it involves the lengthy and tedious job of extracting and manipulating data or running various reports to determine performance metrics. And then there is the question of accuracy. As business conditions become more competitive and the process of analyzing and compiling data into meaningful information, it is no wonder that fully integrated business intelligence applications are rapidly gaining popularity.

Epicor has several fully integrated business intelligence tools that allow retailers to get a complete snapshot of their business right at their desktop. Key performance metrics are presented in a graphical user interface complete with visual indicators that allow successful retailers to easily investigate opportunities or act on problem areas in a timely fashion. Extensive drilldown capabilities give instant access to details such as:

- Forecast the impact that business decisions may have on cash flow
- Increase profitability by adjusting margin thresholds on individual items or classes of merchandise
- Effectively manage staffing requirements by easily viewing transaction counts for specific periods of time
- Reduce or increase inventory investments based on inventory performance indicators
- Respond to alerts that notify performance outside of desired boundaries



To keep a retailer's business running smoothly day-in and day-out, Epicor Eagle captures a wealth of information. Now more and more businesses are working to boost their return on that information, by accessing and analyzing it in new ways with Epicor Compass™ Analytics; a state of the industry BI tool.

Compass lets users easily develop and monitor critical operational metrics, then dig deeper to understand the reasons behind the business results they are seeing.

Retailers are already discovering the power of Compass—here are four important reasons their business is benefitting:

- 1. Making faster, better informed decisions.** Compass Analytics queries and reports are created using a database designed specifically for querying and reporting, and is a data-warehouse of relevant transactional and back-office data about customers, sales, inventory, purchasing general ledger, and payables. This data is regularly refreshed and stored for easy data analytics. Queries and reports can be defined and created quickly, and reflect what your business is doing now. You can also use dashboards to display collections of specific queries and results, in grid or chart form, providing an at-a-glance look at the entire business or a specific area of responsibility. With individual managers seeing precisely the information they need, decisions can be made more quickly, with better information. The result is accountability and business performance improvements.
- 2. Read your customers' minds.** Day-in, day-out, sales can improve if you know precisely which customers offer you more revenue opportunities. With Compass Analytics, you can find out which customers bring you more repeat business, or who consistently buy higher-margin items. You can quickly identify customers with the potential for more value, analyze their buying patterns and develop strategies to approach them with new ideas about how you can better serve them. You'll be serving your bottom line at the same time.

- 3. Improve daily operations.** End-of-month business results are built one day at a time, and each day, even each hour, you and your team make the decisions that affect it. Armed with up-to-date dashboards and the ability to break down sales, inventory, and customer data any way you need to at a moment's notice, you're simply able to manage more effectively. Just one better-informed decision per day—on staffing, ordering, pricing, hours of operation, and so on—can begin to dramatically improve the way your business feels within just a few weeks, in addition to the ongoing improvements at the bottom line.

- 4. Set new sales records.** Want to take a closer look at sales by department? Compass Analytics makes it easy. See something unusual or promising? Drill down to the class and fine-line level. Once you know which products are moving and have a better handle on "market basket" trends, you can build better targeted promotional, space and merchandising plans, both seasonal and ongoing.

These are just a few of the business intelligence tools available as part of Epicor's retail technology business intelligence offerings for the retailer.



About Epicor

Epicor Software Corporation is a global leader delivering business software solutions to the manufacturing, distribution, retail, and service industries. With more than 40 years of experience, Epicor has more than 20,000 customers in over 150 countries. Epicor solutions enable companies to drive increased efficiency and improve profitability. With a history of innovation, industry expertise and passion for excellence, Epicor inspires customers to build lasting competitive advantage. Epicor provides the single point of accountability that local, regional, and global businesses demand. For more information, visit www.epicor.com.

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