



5 Steps to Simplify Your Retail Data and Master Omnichannel

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As they respond to a changing landscape ripe with new opportunities, now is the time for retailers to proactively move to a unified commerce approach. By doing so, fashion apparel retailers can successfully:

- streamline and simplify processes across their organizations,
- meet today's consumer expectations,
- support growth; and
- position themselves for future waves of innovation.

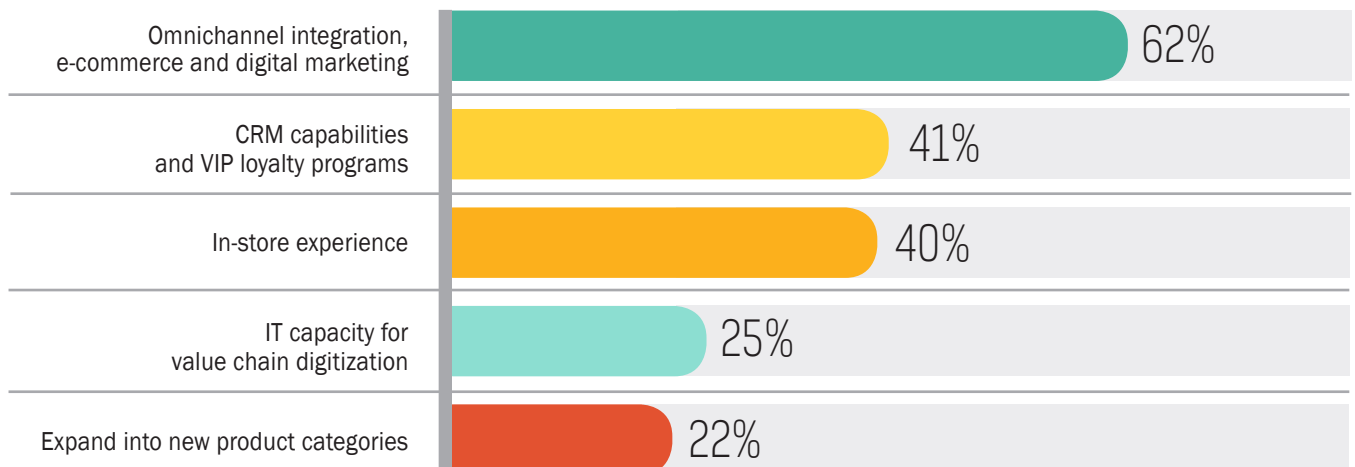
Data unification is at the heart of a unified commerce strategy. Not only does data unification enable retailers to create positive new customer-facing experiences, it also provides many organization-wide benefits well beyond the point of sale. When critical data is captured in a single, central platform, retailers can achieve a myriad of back-end business benefits on the road to unified commerce. These wins are likely to come in greater efficiency, better supply chain visibility, more flexible fulfillment and more effective marketing campaigns, just to name a few areas crying out for improvement through unified commerce. Best of all, with a unified commerce strategy, a victory in any channel is really a win for the entire retail enterprise.

At this spring's WWD Retail 20/20 Forum in London, Euromonitor International footwear and apparel analyst Bernadette Kissane spoke of how new retail initiatives are less likely to be defined by channel. "As the lines between online and offline blur, it is becoming increasingly difficult to label new concepts as either digital or store-based," according to highlights from her presentation, "New Concepts in Fashion Retailing." "Retailers are increasingly taking steps to better reflect the way hyperconnected consumers of today shop, approaching the shopping journey as one all-encompassing experience that crosses multiple channels and devices. Seamless transitions across the shopping journey [have] become the holy grail of retailing."

This drive toward unified commerce was reflected in the most pressing concerns among fashion executives surveyed by The Business of Fashion and McKinsey & Co. for their [The State of Fashion 2017 report](#). In ranking their top three 2017 priorities for sales growth and investment, executives cited the issues below as being highest on their agenda.

With such important goals in their sights, how can fashion apparel retailers ramp up unified commerce to reach them?

Executives' Top 2017 Sales Growth and Investment Priorities



SOURCE: BOF, MCKINSEY & CO.



Choose the Right Technology Partner

In these changing times, it's more important than ever to work with a technology partner with deep knowledge of the retail apparel vertical. A software provider should have a strong portfolio of unified commerce implementation experience under its belt and be ready to recommend and help implement the latest industry best practices.

Partnering with a technology vendor with retail-specific expertise was very important to Draper James during its recent retail enterprise solution search. Founded three years ago by actress Reese Witherspoon, the contemporary Southern-inspired lifestyle brand has expanded its footprint beyond its start in e-commerce to include three brick-and-mortar Draper James stores, located in Nashville, TN, Lexington, KY, and Dallas. A fourth store is scheduled to open this fall in Atlanta. This year the company, which designs and produces women's fashions, accessories and home accents, has also forged wholesale relationships with Nordstrom and Net-a-Porter.

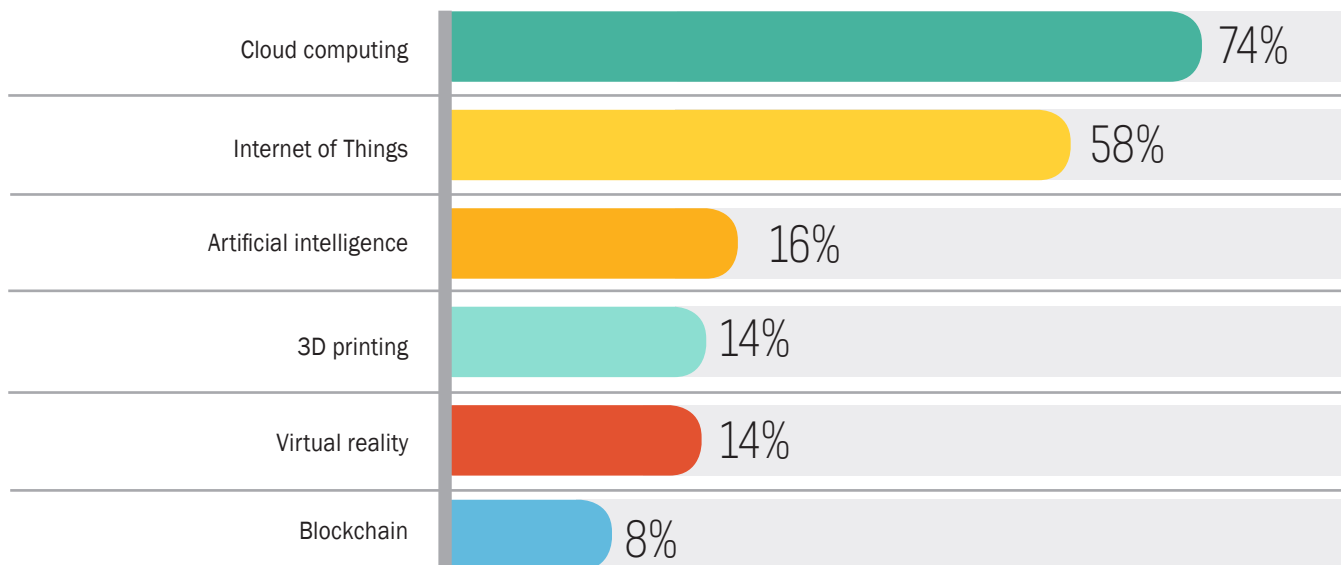
"One of the criteria at the top of our list was, 'Does the vendor understand retail and the challenges associated with it?'" says Melissa Baird, vice president of systems and procedures, Draper James. "Since we're so young in our life cycle, we needed a vendor flexible enough to allow us to morph and grow as a company. We wanted a good partner for the long run — a like-minded vendor that understood what we were trying to do as we scaled as a company."

That vendor turned out to be NetSuite. In a little over four months, Draper James implemented the Retail Apparel Edition of NetSuite's cloud-based business management software, transitioning all inventory and sales order management onto a single, centralized system. Previously, Draper James had been managing these functions with what Baird describes as "a crazy network of spreadsheets" and some off-the-shelf software. The business went live in June with the new technology suite.

NetSuite offers a stairway approach to retail technology implementation, starting

Expected to Have Most Measurable Impact on Business in 2017

...according to tech CFOs surveyed by BDO



with remediation — getting critical financial, item, order, customer and inventory data onto a common platform — and then building additional capabilities on top of that foundation. “What was so appealing about the stairway for us was that it could grow with our business,” Baird says. “When you are scaling like we are, you’re not always ready for everything all at one time. The stairway approach helps us do technology in the way that we build everything else, which is prioritizing the most important things, accomplishing them and then moving onto the next wave of goals.”

The strength of a software vendor’s cloud capabilities is particularly important to future scalability and flexibility. Cloud-based software was a must for Draper James. “We didn’t want to take on the high overhead of an on-premises system, and cloud solutions can scale more quickly without a large capital or people investment,” she says.

Cloud computing is rapidly becoming the implementation model of choice for enterprise software and business applications. In a [cloud computing research roundup](#) in April, Forbes cited findings of a 2017 BDO Technology Outlook Survey showing that tech CFOs expect cloud computing to have the greatest measurable impact on their businesses this year, ahead of other hot technologies.



You Found the Right Technology Partner, Now What?

The following are the five steps retailers should follow on their roadmap to unified commerce.

Step #1: Remediate

After selecting the right partner, the first step on the road to unified commerce is to build the right foundation. This means standardizing customer, item, order and inventory information on one cloud-based platform.

10 Challenges of Legacy Retail IT

- 1 Existing systems that are antiquated, expensive and labor-intensive
- 2 Extremely customized systems, built to support a retailer’s unique requirements (not industry standard)
- 3 Many point-to-point interfaces with specific data elements being passed individually
- 4 No single version of the truth for data and reporting
- 5 Master data is not “clean;” no governance process is in place
- 6 System changes are costly, take significant time and risk compromising other functions
- 7 Lack of inventory visibility throughout company channels and supply chain
- 8 Latency of information updates, resulting in late decision-making, sub-optimized plans and allocations, inventory issues and negative consumer-facing impacts
- 9 Extensive use of manual and form-driven business processes (i.e., Microsoft Excel or Access driven)
- 10 To support current business needs, “one-off and creative” work-arounds are designed and implemented

SOURCE: THE PARKER AVERY GROUP

“By consolidating information on a central platform, retailers like Draper James eliminate fracture points in their organization and minimize risk of losing key data or missing mission-critical transactions because data resides in disparate places.”

By doing so, retailers simplify the complex processes through unification of data on a single system. Not taking this step presents major hurdles to success — perhaps even survival. For instance, many retailers are at an impasse in that they want to implement unified commerce but find it impossible to do so on top of their legacy software. Clay Parnell, president and managing partner with retail consultancy The Parker Avery Group, touched on this challenge in his paper, [“Retail Legacy Systems: Assessment Considerations and Approaches to Modernization.”](#)

“Many retailers — especially those who began as pure brick-and-mortar shops — increasingly understand that their current technology environment no longer adequately supports their desired business vision,” the paper states. “Despite the best strategic initiatives and promises of customer experience and omnichannel nirvana, many retailers are technologically hamstrung: trying to add modern, configurable and mobile tools on top of outdated and inflexible software.”

The Parker Avery Group identified the aforementioned 10 challenges associated with legacy retail IT, many of which pertain to running multiple software packages.

Free from the burden of such challenges, retailers who have tackled the remediation step often find that they are better positioned for expansion and growth. They are equipped with technology that allows them to take on more by working smarter, not harder. In other words, they can do more with a lean team. As Draper James’ business has rapidly expanded, the company knew it was at a critical crossroads. Managing the maze of spreadsheets “was just getting to be too much,” says Baird. “We were going to need to either hire an army of people or put in a system.”

By consolidating information on one central platform, retailers like Draper James are able to eliminate fracture points in their organization and minimize risk of losing key data or missing mission-critical transactions because data resides in multiple places. The way things were at Draper James is no doubt a familiar scenario for other high-growth fashion startups. “There was definitely a lot of pain around the manual spreadsheets, and as we got into more complicated layers of wholesaling, and increasing store transactions, we were worried that something was going to slip through the cracks,” Baird says. “For example, what if we lost visibility to a pocket of inventory because there were so many manual work-arounds for things? We might have five customers who really wanted a certain dress, and we have it sitting in a box somewhere, but we have forgotten about it because of all of our manual processes. We were concerned about the prospect of disappointing customers, plus the manual load on the team.”

“The main reason we decided to implement an ERP system at this point in our growth stage is so that we can keep inventory and sales information as centralized as possible and have one source of the truth for all data across all of our channels,” she says. “This system really lays the groundwork for truly serving our customers across those channels.”

The remediation step in the unified commerce journey also can help retailers achieve greater supply chain visibility, thanks to more accurate costing, better vendor collaboration and clearer insight into delivery schedules.

Across the board, with easier access to all relevant data, retail teams can move with greater agility to adapt to changing needs of the business. But that adaptability depends a lot on how well the organization embraces and leverages the new solution. At Draper James, employees have been quick to adapt to its new system. “Anytime you cut over to a new system, especially one that’s a big change, there’s a learning curve. Everybody has to figure out how they do things in the new system, find where their information lives and get



Photo courtesy of Draper James.

used to different-looking screens, etc.,” Baird says. “Usually people hate it for a couple of months before they start to realize the benefit to them. That has not happened here. And that’s really a testament to how easy the system has been to use, how great the implementation team was and how flexible our team has been through the process.”



Step #2: Enhance

During this step toward unified commerce, many retailers benefit from deploying in-store and online technology for full customer and inventory visibility, with cross-channel fulfillment. This omnichannel fulfillment can apply to managing the needs of different direct channels, such as ecommerce, stores and catalogs. For some, it means supporting a mix of both direct and wholesale business transactions.

As Draper James has grown at a rapid pace, it has faced challenging complexities but also a significant opportunity to design its systems and processes to support unified commerce early on. “The wholesale distribution business is a very different beast than the ecommerce and direct business, and it can cause some interesting operational issues,” Baird says. “Usually fashion brands start one way and stay one way for a while and then tack on the other components, but we’re doing both right out of the gate, which is of some benefit because we get to set things up to handle multiple distribution models from the beginning.”

Draper James wanted to avoid the pitfalls of having hard lines drawn between pools of inventory, segmenting what products are reserved for wholesale customers vs. ecommerce shoppers vs. company stores. “The more fragmented your inventory becomes, it will affect how efficient you are,” Baird says. “We wanted to use our system to manage across channels in a smarter way. Instead of those hard lines, we have drawn ‘soft’ virtual lines through our inventory so that we can ‘move’ inventory virtually without needing to move it physically. It keeps our inventory as consolidated as possible, but we still are able to reserve products for certain wholesale orders that we know are coming in. We can keep an eye on our web inventory and make sure we don’t accidentally oversell it and then not have enough for wholesale and vice versa.”

“As an added benefit, the system decreases our risk for errors in our reporting because nothing is copied and pasted from one spreadsheet to another,” Baird says. “Everyone’s looking at the same source of numbers. That’s been great.”

Another advantage is that store associates have visibility into inventory availability across Draper James’ entire network. For example, if a customer in the retailer’s Lexington store likes a dress on the rack, but it isn’t available locally in her size, the salesperson can quickly consult the system to determine if the right SKU is available elsewhere. If so, the associate can have it shipped to the customer. “Before, they would have to call around to all of the different stores to see if they had it,” Baird says. “Now they can actually see it. That’s part of the customer experience that has gotten better from implementing NetSuite.”

In the future, online consumers also will be able to see exactly what products are available to them. “If there’s only one unit of a popular dress left in our network, and it’s in the Nashville store, we want to let that online shopper order it,” Baird says.

Responding to demand for fast-moving hit fashions isn’t unusual for Draper James. “Reese [Witherspoon] might wear a dress, and it will sell out within a few minutes,” Baird says. “So if there’s one left in the network, and the customer wants it, we want to be able to sell it to her. We are building the unified data foundation to be able to do that.”



Step #3: Innovate

In taking this next step and continuing to build on a unified data foundation, retailers can deliver an integrated omnichannel experience, enabling customers to buy, return and ship from anywhere. They blur any remaining barriers between channels for a seamless experience. As they add new processes and capabilities, more data flows back into their core

system, helping them to gain an enhanced understanding of the consumer, refine processes and make even better decisions.

“In this current retail environment, to be successful, you have to keep a laser focus on hearing what your customers are telling you,” Baird says. “You have to know how, what and when they are purchasing, so you need to detect patterns very thoroughly and quickly. And since customers are living so much of their lives through digital and mobile, it’s critical that you try to capture the entire customer journey through all of those touch points.”

For example, a Draper James customer might start perusing products online, and then buy in the store. Or she might come into a store to try on some styles and then order later that night from her iPad. As an omnichannel retailer, it’s up to Draper James to make that path to purchase smooth and seamless. In return, the brand both earns the customer’s loyalty and learns more about shopper engagement. “We really need to have unified data to help blur the barriers between channels so that we can see how customers are interacting with our brand as a whole,” Baird says.



Steps #4 & #5: Expand and Transform

In some ways, this last step on the roadmap to unified commerce is also a first step. With it, retailers take the leap into a business world in which technology is no longer an inhibitor. Instead, it’s an enabler of newfound freedom to experiment and explore, to take customer service to the next level. Leveraging a 360-degree view of the customer, fashion brands and retailers can deliver personalized and intelligent marketing campaigns, no longer bound by channel limitations or point solutions.

With a solid IT foundation established, it’s relatively easy to layer on all sorts of new services, processes and experiences. For example, in her presentation earlier this year, Kissane pointed to the success of “intelligent” changing rooms in one of Zara’s best-performing stores, located in San Sebastián, Spain. “By installing iPads in the changing rooms, Zara aims to ease the entire process of trying on clothing. The consumer’s items are first scanned before entering the changing rooms, which enables the smart system to display the selection of garments, detailing additional information such as multiple color options and sizes,” her presentation said. “This type of interaction with consumers presents considerable opportunities, enabling Zara to offer recommendations based on the selected items, potentially leading to more upsells through outfit building.”

As stores become more connected, they will be able to feed many new insights back into the retailer’s central IT platform. In its article, [“Stores’ Identity Crisis: The Reimagining of Physical Stores.”](#) ChainLink Research said, “As stores become increasingly instrumented with video analytics, RFID-tagged merchandise (potentially with real-time locating capable readers), traffic counters, BLE [Bluetooth low energy], and more, the store is becoming a source of highly granular, near-real-time intelligence about shopper behaviors and the flow of products.”

From retail basics to new-age immersive shopping, the same unified commerce engine powers it all from a retail command center ideally situated at the confluence of the digital and physical.

Conclusions

As retailers navigate the road to unified commerce, they inevitably will drive at their own pace. From partnering with the right vendor and remediation all the way to transformation, each step will differ for every business, depending on its unique value proposition, goals and culture. “We don’t want to implement technology just for technology’s sake. It’s not about keeping up with what other retailers are doing — it’s about adding value to the customer,” says Baird. “If we remember who we are and who our customers are and what they want out of an interaction with us, that will be our north star for decision making for both technology and everything else.”

What is your north star? It’s time to simplify your data, move to a centralized IT solution and let unified commerce illuminate the way to stronger sales, happier customers and a brighter future.

EXECUTIVE

Q&A



MATTHEW RHODUS

Director and Industry Principal,
Retail Apparel Vertical, NetSuite

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Oracle NetSuite Global Business Unit, a wholly-owned subsidiary of Oracle, established the world's first company dedicated to delivering business applications over the Internet. Today, Oracle NetSuite Global Business Unit provides a suite of cloud-based financials and omnichannel commerce software that runs the business of companies in more than 100 countries.

Q: An early step on the roadmap to unified commerce is systems remediation — getting critical data centralized on a single platform. How have you seen fashion apparel retailers leverage this step to implement some industry best practices that previously were out of their reach due to IT limitations?

MATTHEW RHODUS: Ultimately, retailers are in business to serve the customer and turn a profit. The remediation phase helps make that easier because it offers retailers a 360-degree view of the business. With clarity into financials, inventory and orders, retailers can offer a friction-free experience by removing fracture points in the buyer journey.

Most retailers are still trying to nail the basics, such as ringing up the correct price on an item at checkout, returning an online order in store, conducting a return without a receipt or locating an out-of-stock item at a nearby store or warehouse. As consumers, we think this should be so simple, and expect retailers to have the capabilities to handle these types of requests, but in reality, it's much more complicated.

Q: In your experience with fashion brands and retailers, what benefits do they often encounter upon completion of this foundational step that go beyond their initial expectations and rollout priorities?

RHODUS: Retailers make critical business decisions based off key data sets which are addressed in step one, the remediation phase of our strategy. A retailer's overall profitability hinges on the ability to view accurate data for the customer, financials, inventory and orders. We've seen many retailers implement step one only to realize they weren't as profitable as they thought they were. This is actually a good thing because they are now able to address the issues affecting their bottom line.

On the flip side, we've helped retailers open new revenue channels because they could get a firm grasp on their inventory levels. Maintaining and managing inventory across online, in store and B2B partners adds another level of complexity that requires one central repository for data. Without having full inventory visibility, we often see brands sell out of product on one channel when they have an overabundance in another. With unified commerce, this is no longer an issue because retailers have the power to easily move inventory across channels without disrupting their data or customer experience.

What we hear most commonly from our customers is how they are able to operate with a much leaner IT budget because there aren't multiple systems to patch together and maintain. We also hear how they are more efficient because they aren't exporting and merging multiple Excel spreadsheets together. All of these time and cost savings enable retailers to focus on their products and customers, rather than on inhibiting technology.

Q: As retailers navigate further along the unified commerce roadmap and start to build on the "remediate" step to enhance and innovate, could you share an example of how a new IT project can be seamlessly built onto the foundation?

RHODUS: The beauty of running your business on a cloud-based platform is that there's so much flexibility for retailers to customize to their needs. Once a unified foundation for data is in place, advancing up the stairway is simply a matter of turning on another switch and bringing on additional components of the business onto the centralized platform. At first, retailers might choose to integrate into some legacy systems until they are ready to tackle another problem area, such as point-of-sale or ecommerce.

Both point-of-sale and ecommerce sit directly on top of the NetSuite platform. Everything that is pulled into the user interface, whether that be the sales associate view or the customer view, is derived from that back-end data in NetSuite. Since it is a cloud platform, all of the data is updated in real time, which further enhances a retailer's ability to service the customer.

Even the components which go unseen, like order management, are pulled directly from the same back-end data. There's little room for error when you have that kind of visibility across your organization. Innovation comes naturally at this point because you can take your business anywhere, like a pop-up shop, for instance, or into new geographies.

Expanding beyond everyday transactions and really focusing on brand loyalty comes easily with a 360-degree customer view across every touchpoint. This allows retailers to send targeted and personalized campaigns that customers look forward to, not just another email blast.