



Federated Department Stores

Supporting multiple channels

Selling merchandise the way the customer wants to buy it

Federated Department Stores is a leading US retailer, with 460 stores in 34 states, Guam and Puerto Rico. In addition to such well-known retail brands as Bloomingdale's and Macy's, Federated also operates successful Web sites and a thriving direct-to-customer channel.

On Demand Solution:

Why become on demand?

Federated Department Stores knows that success in retailing today depended on providing customers with a wide, more convenient array of shopping alternatives. However, Federated found that its current processes and systems did not fully support integrated multi-channel retailing.

Federated realized it needed to redefine its processes and systems – and, in particular, to find an approach that more fully aligned its IT strategy with its core business strategy – in order to become more responsive to customer requirements for more choice and flexibility while supporting variable cost structures.

How and where did they start?

Federated decided it could provide greater choice and flexibility for shoppers by linking multiple selling channels – Web-based, in-store, direct mail and call center-based, – with its legacy inventory and fulfillment systems and a variety of geographically dispersed fulfillment and distribution centers. To add to the complexity, the solution also addresses the need to integrate a third-party solution with Federated's systems.

The solution supports the seamless integration of front-end e-commerce applications with backend legacy applications, allowing customers to shop when and how they want to. In addition to the integration, the solution also provides centralized inventory and product description files. And by leveraging a common set of business rules, the solution permits the retailers to more quickly and efficiently integrate new channels to address new opportunities.

The solution was designed by Federated Systems Group and IBM Global Services for WebSphere. IBM Global Services hosts the solution – IBM WebSphere Application Server, WebSphere MQ, DB2 and CICS – running on IBM AIX servers and an IBM eServer zSeries Parallel Sysplex.

What benefits did they achieve?

The solution helped Federated implement 24x7, realtime inventory monitoring. This enables fast and accurate order fulfillment across multiple channels and has positioned the company to improve inventory "turns."

The solution makes it possible for Federated to quickly respond to new opportunities and add new channels. And Federated estimates that reusable components will cut development and support costs by 50 percent.

Hosting by IBM Global Services enables a flexible pricing structure that helps keep costs controllable and predictable.

Confidentiality level:

External

Industry:

Retail