



# **The Information Agenda Guide for Retail**

*Accelerate your journey to Information On Demand*

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## **Information is at the core of the retail industry**

Retailers are facing an uncertain future. The collapse of the U.S. housing bubble, the rapid decline of the dollar and higher incomes in emerging markets have changed spending patterns. Retailers are grappling with issues of environmental impact, social responsibility, global supply chains, compliance and security of private customer information.

Retail has also been “commoditized” in some segments, which is driving companies to develop new business models. For example, some megaretailers are now offering services in addition to merchandise. This blurring of segments creates not only opportunity for retailers to expand their businesses, but also intense competition as the number of rivals increases.

At the same time, consumers have become more savvy, informed and demanding about products, costs and price. They expect the same high level of personalization and customer service in every interaction, regardless of the channel used to make the purchase.

Emerging technology is transforming the retail landscape, too. Mobile and self-service devices have made dramatic advances in functionality and reliability. Technology has made it easier for individuals to become creators as well as consumers of products.

To respond to these challenges and remain competitive, retailers must:

1. ***Deliver a superior shopping experience*** by providing personalized experiences that enable every customer to shop in-store and across channels however, whenever and wherever they choose
2. ***Create demand-driven merchandising and supply chains*** that are fully integrated and driven by consumer insights that align products and services with anticipated shopper demand
3. ***Drive operational excellence*** through integrated systems and processes that deliver analytical insights for fast development and deployment of new capabilities

Implementing these three initiatives depends on one vital ingredient: information. Yet accessing and verifying that information is not a simple task. For example, data is often locked up in multiple departmental silos—putting it at risk of duplication, among other errors—and a retailer’s various business units may use different terminology to describe the same information.

In an attempt to overcome these hurdles, retailers have invested heavily in business process automation with the goal of driving faster processing and reduced costs. However, automation alone is insufficient to support today’s customer centricity requirements. As a result, retailers are launching new initiatives designed to drive business optimization and ongoing competitive advantage—and these initiatives all depend on information.

## **Information On Demand**

Information On Demand (IOD) is a comprehensive vision for unlocking the business value of information for competitive advantage, enabling organizations to establish and leverage trusted information. Retailers can optimize business performance through IOD, helping them to increase flexibility, reduce management costs, reduce risk and introduce new products quickly, among other benefits.

## **Building an information agenda**

Organizations that want to get started on the path to Information On Demand but do not know where to begin need an information agenda. An information agenda is a comprehensive, enterprise-wide plan that a CIO, working with line-of-business (LOB) colleagues, creates and implements to achieve both short- and long-term strategic changes.

An effective information agenda helps organizations achieve several key objectives:

- *Identify data and content that are vital to the organization*
- *Identify how, when and where information should be made available*
- *Determine data management processes and governance practices*
- *Identify and prioritize the information projects that deliver the most return*
- *Align the use of information to match the organization's business strategy*
- *Create and deploy an information infrastructure that meets both immediate and future needs*

IBM accelerates the process and minimizes the risk of creating an information agenda through industry-specific Information Agenda Guides. The IBM® Information Agenda Guide for Retail is a practical, proven approach for turning a client's IOD vision and strategy into reality. CIOs,

working with their LOB colleagues, can build a best-in-class information management vision for their organization and create a detailed roadmap to realize it. The goal is to transform the organization to unlock the business value of information for competitive advantage, enabling the delivery of trusted, accurate information to optimize business performance.

The IBM Information Agenda Guide for Retail can help direct businesses as they develop their own information agenda in a matter of weeks through IBM Information Agenda workshops. It addresses the four key components of an information agenda and ensures that they work in conjunction to deliver Information On Demand (see Figure 1).

- **Information strategy:** *The vision that guides decisions and helps the organization determine how best to support business goals*
- **Information infrastructure:** *The technology components and capabilities needed to establish a common information framework*
- **Information governance:** *The policies and practices that facilitate the management, usage, improvement and protection of information across lines of business*
- **Roadmap:** *A phased execution plan for transforming the organization*

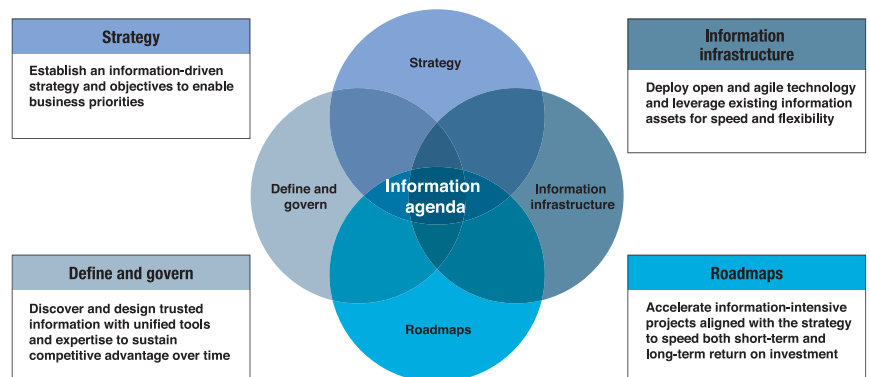


Figure 1: An effective information agenda provides a strategic vision and a phased plan to align the use of information with an organization's business strategy.

**Information strategy: Recognizing the big picture**

At its highest level, the IBM Information Agenda Guide for Retail incorporates industry best practices to help identify the primary information-centric business imperatives that drive virtually every business decision. The outer ring of Figure 2 reflects the industry imperatives that retailers must undertake to optimize their business. The next ring details the specific business optimization objectives associated with individual business imperatives, such as endless aisle programs, supply chain execution and logistics and loss prevention.

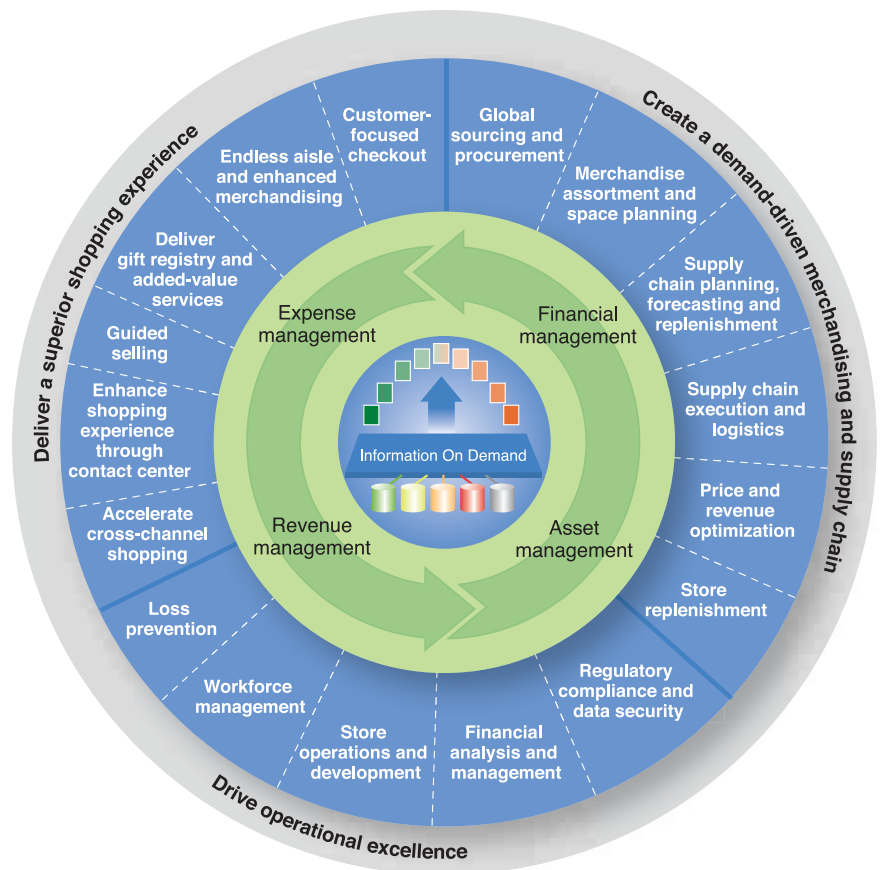


Figure 2: The Information Agenda Guide for Retail is a proven approach for turning IOD vision and strategy into reality.

The business imperatives and business optimization objectives are the foundational components used to help set the vision and strategy for an organization's information agenda. This approach ensures that you have a well-established bridge between IT objectives and overall corporate objectives. It also provides LOB and IT colleagues with a common language to communicate about all projects and plans.

**Information governance: Enhancing information quality, availability and integrity**

As a crucial component of the Information Agenda Guide, information governance assists retailers in establishing standards for data quality, management processes and accountability. These standards help to improve business performance via standard definitions and processes that establish a more disciplined approach to managing data and information across the enterprise.

The Information Agenda Guide for Retail applies best practices for creating information governance policies, based upon IBM's extensive experience in the retail industry. It leverages existing policies and procedures to create an environment that can consistently and confidently manage information, thereby obtaining maximum value from these assets to support strategic imperatives.

### **Information infrastructure: Creating, managing and delivering trusted information**

All initiatives and business optimization objectives depend upon a common information infrastructure that enables a retailer to more effectively create, capture, manage and utilize information associated with customers, services, products and market strategy. As shown in Figure 3, an effective information infrastructure allows a retailer to:

- *Manage information over its lifetime to help reduce the costs associated with managing information while controlling access, expanding retention and increasing compliance.*
- *Use information, both data and content, as part of business processes across the enterprise to better tune system performance and help improve decision making by injecting timely, trusted information into business operations.*
- *Establish an accurate, trusted view of information over time and create a flexible architecture that can leverage existing IT investments to produce accurate and trusted information. Information that is consistent across sources facilitates better analytics and sound business decisions.*
- *Plan, understand and optimize business performance by leveraging trusted information and existing IT investments to build plans, understand how the business is performing and focus on optimizing performance across the enterprise.*



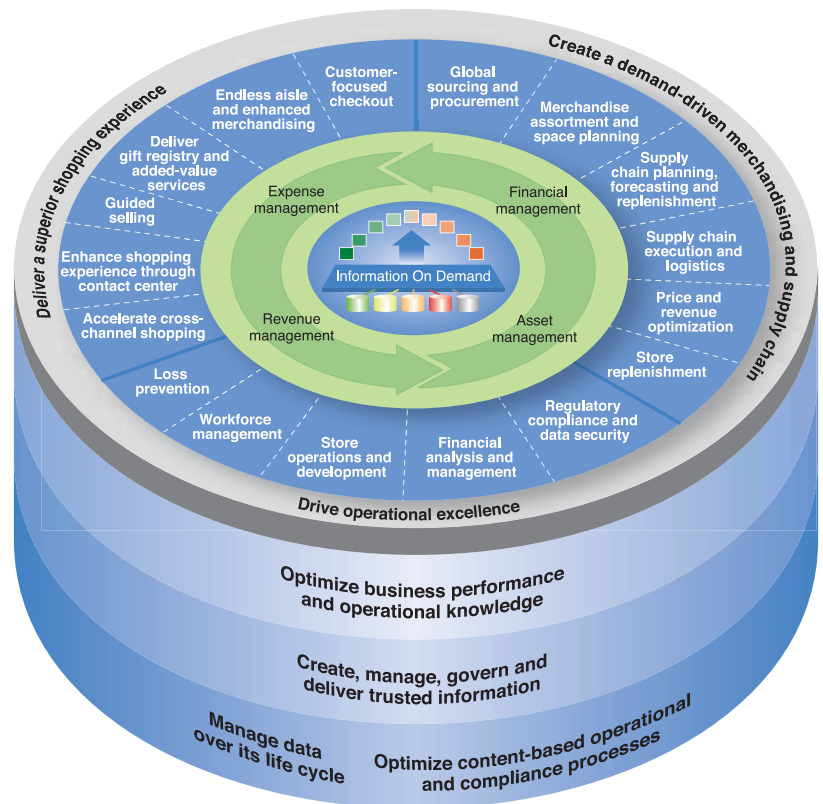


Figure 3: The IBM Information Agenda Guide for Retail addresses common information requirements.

As organizations journey toward Information On Demand, guiding principles will be applied to leverage existing assets and IT purchase decisions with these key common information requirements in mind. The journey will include looking for opportunities to use existing IT assets as common components to be utilized for other projects, and will provide guidelines that help ensure new technology and software investments can accommodate both short- and long-term objectives.

### Roadmap: A step-by-step execution plan

The roadmap gives information management and integration efforts direction and cohesion. It spells out the priority, order and timeframe of IT projects necessary to achieve the organization's crucial information-enabled business optimization objectives. The first step of creating the roadmap is identifying and prioritizing the underlying IT projects—usually combinations of software and services—that can help achieve each business imperative.

***IT projects for delivering a superior shopping experience***

Retailers must be able to derive deep customer insight to improve promotion targeting and execution. The goal: create personalized experiences that enable customers to shop in stores and across channels however, whenever and wherever they want. Fostering customer-centric interaction requires that retailers create a single view of each customer to support a seamless and relevant cross-channel shopping experience (see Figure 4). They must put trusted information in the hands of front-line employees to improve productivity and keep service levels high. Data standardization, cleansing and quality are key considerations for achieving these objectives.

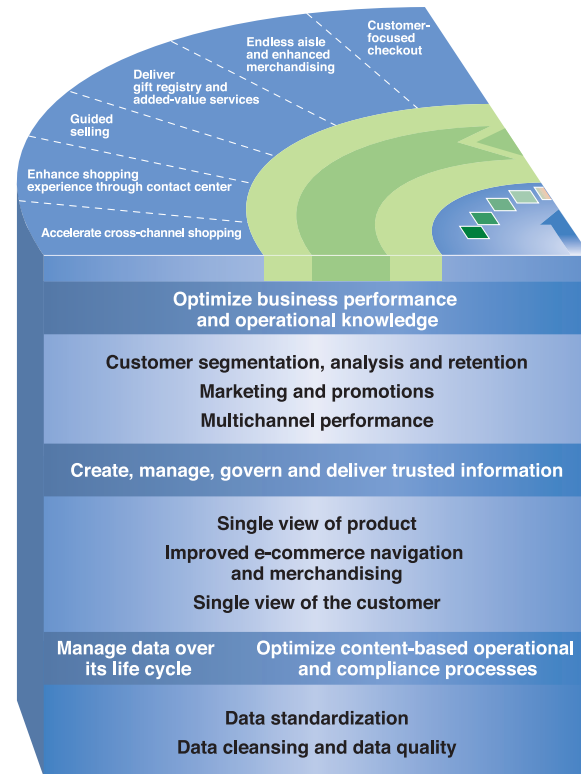


Figure 4: To enable a superior shopping experience, retailers must use standardized, cleansed, high-quality data to generate insight into customer preferences and behaviors.

***IT projects for creating demand-driven merchandising and supply chains***

Developing consumer insights plays a vital role in helping retailers better align products and services with shopper demands. Trusted, real-time information can help reduce out-of-stock and overstock situations. By sharing information across the value chain, retail organizations can increase vendor participation in promotions and make buying more efficient.

Trusted information also allows retailers to understand and anticipate true customer demand by market and location. Financial merchandise planning, merchandise reporting and analysis, unified product content management, enterprise-wide master data management (MDM), enterprise resource planning (ERP) integration and data standardization, cleansing and quality projects can play an important role in achieving these goals (see Figure 5).



Figure 5: Retailers can use trusted information to align products and services with customer demands, creating demand-driven merchandising and supply chains.

***IT projects for driving operational excellence***

Retailers must deliver trusted information at every level of the business to help improve productivity, smooth implementation of new processes and offerings and enhance existing processes via automation. Trusted enterprise insight and analytics drive business optimization, which can help improve store planning, operations, development and financial results. Sharing information across the enterprise also helps to speed time to market and control costs (see Figure 6).

Throughout these processes, retailers must ensure that customer information is kept secure to build client confidence and exceed compliance requirements. Financial management, asset management, records management, data warehousing, business event synchronization and e-mail archiving projects can assist retailers in meeting these imperatives.



Figure 6: Establishing operational excellence requires that retailers use data throughout their systems to streamline processes, improve planning and shorten time to market.

The Information Agenda Guide for Retail identifies crucial IT projects that establish the necessary information infrastructure, and then leverage that infrastructure to help produce measurable business results identified by the business objective. Depending on an organization's existing information architecture and its most important business objectives, a final information agenda roadmap can contain some or all of these projects.

Organizations can use the Information Agenda Guide for Retail to help accelerate roadmap creation with best-practice templates for specific IT projects. The templates are preconfigured to accommodate industry specific business optimization objectives and initiatives, allowing organizations to quickly organize and prioritize IT projects within the framework of their information agenda.

**The benefits: Competitive advantage through business optimization**

The IBM Information Agenda Guide for Retail supplies the integrated vision needed to help achieve retailers' business goals and objectives—and deliver better business outcomes, such as anticipating customer demand for a product. With an Information Agenda Guide for Retail in place, CIOs and senior IT managers have many of the tools necessary to make the essential transition from simply supporting the business to making a measurable, sustainable contribution to the business' bottom line.

The IBM Information Agenda Guide can help retailers address a wide variety of business tasks, including leveraging cross-sell and up-sell opportunities; introducing new products quickly to targeted audiences; and proactively uncovering and mitigating fraud risks. Most important, consistently delivering trusted information to the right people at the right time gives organizations the ability to use that information in entirely new ways and realize competitive advantage.

### **Why IBM is the right transformation partner**

The Information Agenda Guide for Retail is a practical, accelerated approach developed by IBM after years of working with leading global organizations. It is a cross-IBM program composed of a proven, prescriptive methodology and mature retail assets, delivered by IBM practitioners with deep industry expertise.

IBM Information On Demand (IOD) solutions offer end-to-end information infrastructure capabilities for executing your information agenda. IOD offerings are specifically designed to address virtually every aspect of an organization's trusted information needs. Based on open standards and reflecting an investment of more than US\$10 billion in the last three years, IOD offerings are among the industry's most comprehensive.

CIOs and senior IT managers ready to jump-start their organization's information agenda efforts should consider a hosted IBM Information Agenda workshop. This workshop leverages IBM's expertise to guide CIOs, senior IT managers and LOB stakeholders quickly through the process of building a cohesive information agenda with an actionable set of projects. A hosted workshop can result in faster execution and realization of return on investment.







## For more information

To learn more about the IBM Information Agenda Guide for Retail and IBM IOD solutions, contact your IBM sales representative or visit:

- [ibm.com/software/data/information-agenda](http://ibm.com/software/data/information-agenda)
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