Cegid Expert View

Speciality retailers in the real-time era

Before the web was commonly available in the store, sales data only reached the central server the following day. Furthermore, because there was no guarantee that overnight transmissions would work, they had to be monitored daily, requiring a number of manual operations. Yet deploying an in-store IT solution was expensive and time-consuming. Now, using permanent internet access together with improved software, information can be shared in real time across the entire network. Store activity, such as monitoring sales or inventory and controlling fraudulent transactions can be managed online. A cash register can be set up in just a few clicks. Here is an overview of the best practices that will enable users to get the most out of these new technologies.

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Speciality retailers in the real-time era

Introduction

Real time is now an integral part of our personal and professional lives. For speciality retail chains, real-time technology is gaining traction. Stores are spread over a large geographical area - often over several continents - separating the information system into "islands" of data and making it difficult to keep information coherent and install updates. And while retail chains may have different systems, they all share the same basic needs. Managers want the most up-to-date data possible on business activity, marketing, sales, inventory levels, employee in-store performance etc. Real-time technology opens a number of doors, but its implementation also presents a number of challenges, including reliance on telecommunications networks and difficulties in harmonizing data in a «multi-channel» environment (stores websites, catalogues, outlets and concessions).

A faster, more efficient way to coordinate the store network

By sharing data in real time between the central server and all stores, the most up-to-date management information is always available anywhere in the world. Take a store that has generated less than one-third of its projected revenue by midday. It will be contacted immediately to determine why sales are low and to decide together with the store manager what action should be taken. If a local retail store is holding a sale, prices can be aligned with the competition remotely. If stock runs out unexpectedly, it can be replenished halfway through the day. In the past, managers weren't aware of any shortages in stock until it was too late. Now, thanks to real-time access to information, they are able to take immediate action. And distance is no longer a barrier to effective management.

Your customers will appreciate real-time

Access to permanently up-to-date information is yet another means by which store staff will be able to provide customers with a high quality of service. If the customer wants an item which is out of stock in one store, real-time communication architecture can be used to consult other store inventories as though it were the store's own inventory. The store can request the article to be transferred, and the sale is not lost. The request appears immediately on the remote screen so that the article can be reserved. It will be just as easy to reserve articles at the central warehouse to be sent directly to the customer. Likewise, staff will be able to accept payment in gift certificates, even if the customer has lost the original. This is simply because the central payment system keeps a continuously updated record of any gift certificates that can be used across the network at any given time.

+25 languages

+65 countries

20 000 retail stores

Choosing between the fat and the thin client

While company employees may like the idea of sharing information, certain pitfalls need to be avoided when redesigning the application architecture. For any retail chain setting up a centralised system, the primary risk is not being able to access the system remotely, usually due to a telecommunications failure deriving from any number of causes: construction work in progress, internet access down in the department store or shopping centre, or a new store that does not yet have a working telephone line. Regardless of the reason, the new system needs to be continuously available, at least for the most critical processes such as taking payments and managing stock.

«Thin client» architecture generally does not offer any backup solution in the event of a communication failure with the central server. Simply put, all the workstation does is display an image sent by the central server. But does this mean stores should install a «fat client» solution? It would certainly be robust enough, but there would be no gain whatsoever in terms of deploying and administering such a system and its utility would be inversely proportional to the size of the network.

An «intelligent client» or «smart client» solution provides a happy medium. The local workstation maintains permanent contact with the central server, but can switch to off-line mode when necessary. The initial installation only takes a few minutes to download, and updated versions of the software are automatically uploaded to the in-store system. Since it is partly involved in executing the application, the rich client significantly reduces server and bandwidth requirements. Overall, this type of architecture considerably reduces the total cost of ownership (deployment, installation, operation) and more often than not proves to be the best compromise.

Not all information should be shared

While technology has made light work of sharing information, the distribution network may be so diverse that only part of the information should be shared. Even if users have access to the same data source, US, European and Asian stores need the software and information (such as product codes) in their own language. And the data must be adapted to conform to local tax regulations and fiscal printers. Fortunately, a centrally configured system can be made compatible with local specifications. Although the information system is based on a centralised architecture, it must support partial data sharing. For instance, it is possible to grant franchise stores access to the system while guaranteeing that their centrally hosted customer database can only be accessed from their stores.

Customised, secure infrastructure

The flow of information between the central server and the stores can either pass through an ADSL connection or a VPN (Virtual Private Network), regardless of whether it is software-based or provided by a telecoms operator. Information transmitted through a public network, such as the internet, is protected by an https protocol with 128-bit encryption, shielding information against any unauthorised use.

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About Cegid's Web Access technology

Cegid is the pioneer in real-time system architecture for speciality retailers. Since 2005, Cegid's Web Access technology has made the deployment of in-store management solutions easier, by considerably reducing the need for on-site visits and eliminating the need for upgrade maintenance operations.

Once the system has been installed (which only takes a few minutes), all administrative operations can be performed online. Users of the back office solution can see the activity across the entire network in real time, whether they connect from the office, home or another remote location.

All authorised users have access to the system in their own language and it is configured to their own user rights. A regional manager visiting a store can use the store's workstation to access data for the whole region. Similarly, an international network director who travels abroad on business can use a local workstation to access information in different languages on the whole network.

If the telecoms line is temporarily unavailable, the in-store solution automatically switches to autonomous mode so that any transactions crucial to the store, such as opening and closing the cash register, identifying customers, taking sales, issuing and accepting gift certificates, and managing returned goods can be carried out as usual. When communication is re-established, the system reconnects to the central server and automatically sends any information the store has recorded in the interim.

Every day, several thousand stores worldwide use Cegid's retail solutions with Web Access technology. This technology is also available in On Demand mode (Software as a Service).

About Cegid

Cegid Group is a leading international enterprise management software provider, with €248M revenues, 2,000 employees and 35,000 users worldwide.

Combining international expertise and reach, the company has offices in Paris, New York, Barcelona, Madrid, Milan, Milton Keynes, Casablanca, Shenzhen, Tokyo and Singapore and a network of resellers throughout the world supporting our customer's international expansion.

About Cegid Retail

Cegid's best in class retail management software solutions are proven to improve the productivity, performance and profitability of speciality retailers. Solutions include merchandise planning, procurement, production and sourcing, multichannel merchandise management, advanced inventory and replenishment, EPoS and store management, CRM and business intelligence. Over 1,000 retailers and 20,000 stores in more than 65 countries are currently using Cegid's retail management solutions to drive their business forward.

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