IBM®

SHOP DIRECT

Business challenge

To attract and retain online shoppers, Shop Direct must make products available at the right time and price through a personalized experience. How could it manage millions of products more effectively?

Transformation

By centralizing product information and introducing a standardized approach to financial and assortment planning, the group can ensure that the right products are available at the right time and price, keeping customers happy.

Dave Gibson
IT Engineering Team Leader
Shop Direct

Business benefits:

Boosted
responsiveness to changing customer needs with fast, flexible product management

Standardized
approach to product management reduces error rates and increases efficiency

Reduced
costs by outsourcing application management

Shop Direct
Making good things easily accessible to more people

Shop Direct Group is a multi-brand online retailer that trades through digital department stores including Littlewoods.com and Very.co.uk. The group has grown to become one of the UK's largest online retailers, with more than GBP 1.8 billion in annual sales.

"IBM has a deep understanding of Oracle solutions and Shop Direct's business."

Dave Gibson
IT Engineering Team Leader
Shop Direct

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Keeping pace as online business booms

Shop Direct has been making big changes to its operating model in recent years, transforming from a catalogue-driven business into a world-class digital retailer. Today, 86 percent of the company's sales are made online, with more than half originating from mobile devices.

To remain the go-to choice for savvy online shoppers, it is critical for Shop Direct to ensure that the right product is available in the right place and at the right price. If customers cannot readily find the products they are looking for, it is all too easy for them to turn to another e-retailer.

In the past, merchandising and sales teams at Shop Direct relied on in-house applications to manage inventory and load products onto its various e-commerce platforms. With its business growing from strength to strength, the group found that it was increasingly difficult to manage rapidly expanding numbers of products and related information.

Dave Gibson, IT Engineering Team Leader at Shop Direct, elaborates: "Our previous approach to product management and stock planning was largely manual. Most of our buyers worked from their own spreadsheets, which meant that we lacked a consistent way of managing and forecasting inventory, and had a limited view of products and pricing across the group.

"As our catalogue grew, we wanted to drive a more standardized and streamlined approach to product management. This would help reduce costs and error rates, as well as shorten the time taken to load products onto our e-commerce platforms, helping us react faster to changing trends and customer demands."

Selecting Oracle solutions

Shop Direct decided to re-engineer the way it manages products and pricing. A long-time user of Oracle solutions, the group turned to Oracle to provide the retail software platform that would sit at the heart of its new approach to product management.

Dave Gibson comments: "We have been using Oracle E-Business Suite applications and Oracle databases for more than a decade, and have been very satisfied with their performance and reliability. When we were looking to introduce new retail solutions in support of the new initiative, Oracle was our first choice."

As a first step, Shop Direct worked to centralize data across multiple brands and departments into a single repository, built on Oracle Product Information Management (PIM).

The PIM repository is integrated with a new financial and assortment planning application, developed using Oracle Retail Predictive Application Server (RPAS). With the new planning solution, merchandising teams can easily manage estimates, buying and selling prices, and offers for all group products.

Shop Direct also takes advantage of Oracle Fusion Middleware solutions to serve as the strategic backbone for the bulk of its application landscape. In particular, the Fusion Middleware layer has established a degree of independence between the company's front-end e-commerce application and the back-end systems. This means that Shop Direct can continue to accept customer orders even when fulfilment, logistics and administrative systems are not available.

Building on a longstanding partnership with IBM

Shop Direct engaged IBM® Global Business Services® and IBM Global Technology Services® to guide the implementation of the applications and infrastructure as part of a wider outsourcing agreement.

Dave Gibson says: "Our relationship with IBM goes back to when we first introduced Oracle E-Business Suite, and they have been working closely with us to deliver ongoing support and enhancements for our Oracle solutions ever since. It was a natural decision to expand our existing agreement with IBM Global Business Services to cover implementation and managed services for our new Oracle applications."

To ensure high performance and availability for the Oracle application suite, Shop Direct outsourced management of all its Oracle E-Business applications, including Human Resources and Finance modules, as well as PIM and RPAS, to IBM Global Business Services. One member of the IBM team provides dedicated onsite support at the Shop Direct site, backed by a team of offsite consultants who deliver ongoing application management and enhancement services to continuously improve the user experience.

The outsourcing arrangement allows Shop Direct to ensure that its Oracle solutions are expertly managed, and that any issues are resolved swiftly.
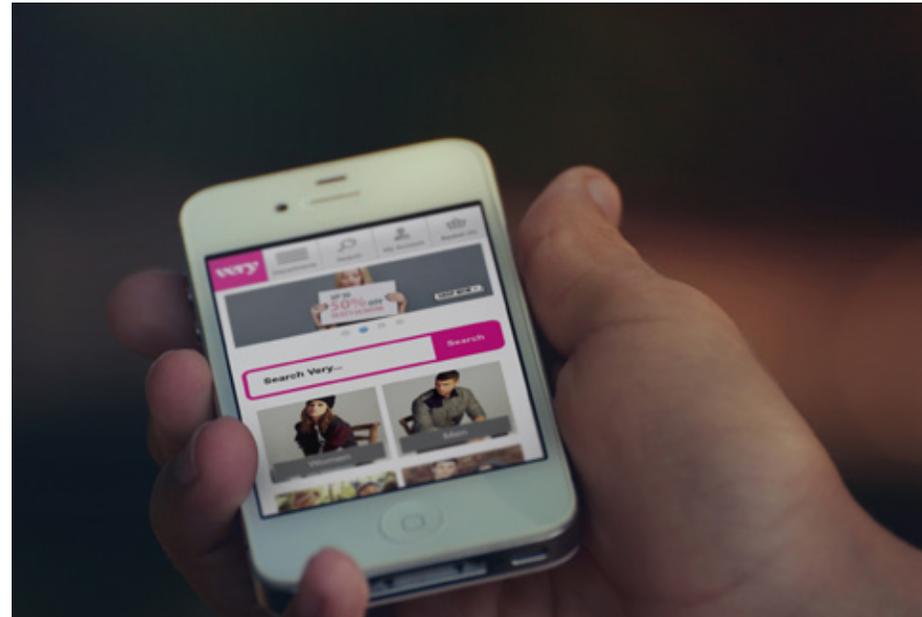
Dave Gibson remarks: "We have a good working relationship with IBM Global Business Services, and their onsite consultant is really like another member of the Shop Direct team. It's a great benefit to have on-demand access to IBM resources and expertise. IBM has a deep understanding of Oracle solutions and Shop Direct's business, and it gives us peace of mind to know that our business applications are in the hands of a dedicated team."

Cloud on the horizon

Having implemented and enhanced its IBM and Oracle environment, cloud is the next step in Shop Direct's e-commerce strategy. The company is currently working with IBM Global Business Services to migrate its Oracle PIM and RPAS applications onto the IBM SoftLayer® cloud platform.

"A move to the cloud is the perfect enabler for our e-commerce expansion," says Dave Gibson. "SoftLayer will give us the flexibility we need to easily handle fluctuating demand and to seize new growth opportunities as they arise."

Leaner, faster operations

By introducing a centralized, consistent way of accessing and managing product data, Shop Direct is making it quicker and easier for teams to load products onto e-commerce platforms, and update product information as required.

Dave Gibson notes: "In the past, we had people in multiple departments assigned to managing and updating product information.

"With a standardized solution now in place, we've been able to establish a central team of 12 people to load products onto e-commerce platforms. This helps us manage products more efficiently, and frees up other employees to focus on more productive work.

"And as the Oracle solutions allow us to consolidate product information from multiple systems in a more streamlined and automated way, we can load products faster than ever before.

"This means that as market conditions and customer demands evolve, our merchandising teams can react swiftly to update our product catalogues as required. This newfound agility helps keep Shop Direct at the leading edge of the online market."

Better visibility and control

What's more, moving away from manual, spreadsheet-based processes to a standardized, automated product information management solution has sharpened group-wide insight into products, pricing and suppliers, and has vastly improved data quality.

"The combination of Oracle PIM and RPAS gives our merchandising teams greater control and visibility of inventory," explains Dave Gibson. "Information is no longer locked away in multiple spreadsheets; teams can access consistent, timely data on products, pricing, offers and suppliers from a central location, and we now have a standardized approach to planning and pricing products.

"All of this helps us to ensure that stock is bought in the right amounts and at the right price, so that we can be sure that our customers always find what they are looking for."

Dave Gibson concludes: "Our ultimate aim is to become the UK's leading online retailer, and our partnership with IBM and Oracle will play a key part in helping us to achieve that goal."

"With Oracle solutions, expertly managed by IBM Global Business Services, we have gained unprecedented visibility into the millions of products we offer. This kind of insight allows us to make smarter buying and selling decisions, so that we can keep pace with customer demands and keep the business on track for profitable growth."

Solution components

- Oracle Database 11g
- Oracle E-Business Suite
- Oracle Fusion Middleware
- Oracle Product Information Management
- Oracle Retail Predictive Application Server
- IBM® Global Business Services®: Application Management Services
- IBM Global Business Services: Strategic Outsourcing
- IBM Global Technology Services®

Take the next step

To learn more about IBM and Oracle solutions, please contact your IBM representative or IBM Business Partner, or visit the following website: ibm.com/solutions/oracle

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