

New Web Portal Boosts Efficiency at The Reject Shop

Overview

■ **The Challenge**

Decrease costs, improve productivity and enhance customer service through a centralised communication system. Provide more effective staff and inventory management. Make a complicated back-office environment easier to support and manage.

■ **The Solution**

Using IBM WebSphere® Portal – Express, The Reject Shop worked with IBM and business partner Synergy Plus to make applications available through a portal that can be managed centrally.

■ **The Benefits**

Dramatically improved decision-making, resulting in reduced costs, increased productivity, better relationships with customers, partners and suppliers and more uniform customer service and store presentation.



About The Reject Shop

The Reject Shop opened its first store in South Yarra, Victoria, in 1981, selling discounted seconds and end-of-line merchandise. Since then, it has expanded to become a market leader in the discount variety retail sector in Australia.

The company employs approximately 2,000 staff in 103 The Reject Shop and 16 Everything Here \$2 stores in the Australian Capital Territory, New South Wales, Queensland, South Australia and Victoria.

Streamlining Communications Nationwide

With more than 100 outlets across Australia, ensuring fast and consistent communication from head office and area managers to stores was becoming an increasing challenge.

“Consistency of communication is always a problem with a multi-branch company,” said Geoff Pearce, Store Systems Applications Manager at The Reject Shop. “We strive for centralised direction, but actually achieving it is an entirely different matter. We have stores in areas like Broken Hill that are a long way from head office. They need to know what to do and how to do it.”

Compounding this was the complicated back-office environment that required individual stores to run a Microsoft® SQL Server database. “Staff don’t have the expertise to fix IT problems, so if a server fails or the system becomes corrupt, it takes up to two days to restore,” said Pearce. “We wanted to reduce maintenance costs and make the back-office environment easier to support and manage.”



IBM WebSphere Portal – Express to the Rescue

IBM worked with its business partner Synergy Plus to develop a portal that simplified The Reject Shop's back-office environment and allowed relevant information and applications to be easily accessed through a centrally-managed system.

“We were impressed by how easy WebSphere Portal – Express was to deploy, use, manage and maintain,” said Pearce. “We compared it against Microsoft SharePoint® Portal. While the Microsoft product looked sexy, we had no doubts that WebSphere Portal – Express would perform to our expectations.”

IBM WebSphere Portal – Express has helped to place The Reject Shop at the forefront of retail technology and given it a distinct advantage in the cutthroat world of discount retail.

“Our competitors in Australia haven't invested in this sort of technology,” said Pearce. “In the US, portal-based retail operations systems are the next big thing. The system gives us a competitive advantage in cost control and productivity.”

Increased Productivity, Decreased Costs

In the first phase of implementation, the portal has allowed store managers to access ticketing, email, notices and price checking functions. Staff training in the new system has also been provided.

According to Pearce, staff reactions to the new system have been overwhelmingly positive. “As well as giving each store functionality that it didn't have previously, the enhanced communication structure means that every store, no matter how remote its location, is included,” said Pearce.

Many of the new applications, such as the task management system, have significantly reduced the workload of store managers and made peak periods like Easter and Christmas much easier to handle. Area managers can now advise store managers what needs to be done and when. They can also send regular reminders about routine tasks such as markdowns.

Rostering has always been something of a black art in the retail sector, but IBM WebSphere Portal – Express allows head office to notify stores when stock deliveries are due so managers can put on extra staff.

“Having the ability to roster staff according to business demands has had an enormous effect on employee productivity,” said Pearce.

Time-consuming tasks such as price checking are now more efficient. Through the portal, staff can now access the entire product master file, including stock codes and up-to-date prices. Rather than using hand-written and often inconsistent price tickets, the tickets are now printed in store so that pricing and appearance are consistent throughout the chain.

Managers can also specify what stock they require when ordering. This allows stores to reduce the amount of inventory they have on hand, while ensuring enough stock of popular items is available.

“Customers continue to pay the low prices they expect, but they don’t have to compromise on the quality of their shopping experience,” said Pearce.

Future Plans

The Reject Shop is now in the second phase of the portal implementation.

Phase two will give stores increased access to stock reports and information, which will be especially useful at peak times like Christmas. More interactive rostering functions will be available, allowing store managers to compare staff spending with store budgets.

“We expect to see big savings once Phase two is in place, including reductions of up to \$2,000 a store in back-office IT support costs,” said Pearce. “With more than 100 stores, that’s a saving of a couple of hundred thousand dollars.”



“We see the IBM solution as more than just a one-off project,” said Pearce. “It’s a platform for change that is transforming our company from the inside out.”

For more information

If you would like to speak to an IBM Sales Representative, please call **132 426** in Australia or **0800 801 800** in New Zealand.



© 2005 IBM Australia Limited
ABN 79 000 024 733
All Rights reserved

IBM Australia
55 Coonara Avenue
West Pennant Hills
NSW 2125

Printed in Australia
10/05

IBM, the IBM logo and WebSphere are trademarks or registered trademarks of International Business Machines Corporation in the United States, other countries, or both. Microsoft and SharePoint are registered trademarks of Microsoft Corporation

GL_6937

* Business Partner is used informally and does not imply a legal partnership.