



We now have total automation and immediacy of information providing a much better, more reliable understanding of what to sell, and where and when to sell it.

Tim Lawson, Operations Director

- Fastest ever EPoS rollout of its size
- Total infrastructure overhaul
- No Specialist training required

Itim's record-setting EPoS rollout for the owners of Cardfair and Card Warehouse

The reasons for the EPoS initiative and the objectives set

One – grow the business. Two – grow the range.

These basic steps have seen Celebrations Group, owners of Cardfair and Card Warehouse, become one of the UK's largest speciality retailers, and all without the assistance of any meaningful technology infrastructure. This is success borne from the intuition and business skills of the management team involved.

But all supermarkets and one-in-six high street retailers sell greeting card merchandise. Against this backdrop of abundant competition, step three was required – technology. Information would help sustain and extend market position, supply real proof points for decision-making and outside investment, and provide the foundation for efficiency drives, better use of stock, competitive strategies and future initiatives.

In July 2006, contracts were signed with Itim to supply their Chameleon EPoS Solution, a full hardware refresh, associated installation and training services, and a complete network and communications overhaul. Celebrations Group had commissioned the industry's largest EPoS implementation in 2006.

With Christmas looming, most would have left such a vast project well alone until the New Year. But the Group, needing to understand more about what they sell and to who, decided to the contrary. With 20% of sales revenue derived from Christmas product, waiting until next year to start profiling this important season just wasn't an option. On the flip side, with nearly 40% of the Group's overall revenue turned between October and December, getting Christmas right was imperative.

Timescales and expectations were set. This left just 3 months to totally, and flawlessly, deliver the entire project, from scratch.

Project size and scale and Project Management implications

Significantly, Celebrations Group was the largest, last-remaining, multi-site retailer to move from Cash Registers to their integrated equivalent. The potential gains were huge. However, the business value of rolling quickly for Christmas, and a technology jump from 20-button ECRs to full-on POS, would be significantly diminished, if not nil, without a smooth technology transition for end-users. All told, this was a huge venture, into new territory, in incredibly tight timescales. With such a small team, the Group required help. Alongside a watertight plan and robust change control, trust in outside skills, flexibility, availability and personnel compatibility, was a must.

Within two weeks from 'go', Chameleon was configured for optimum ease of use, tested and live in one site. One week from there, it was hangered on 760 new TOSHIBA POS, and training material prepared. TOSHIBA, and their nationally spread engineer team, were then engaged to install 80 stores per week, whilst also delivering end-user training. Concurrently, Vodat installed broadband. At this massive rate, totalling 491 stores – contract to delivery in nine weeks and implementation in six, Itim and TOSHIBA confidently claim this is the fastest implementation of its size. EVER.

On October 6th, with all credit to the project management and delivery teams in all three organisations, the project was flawlessly delivered, bang on schedule.

The business benefits delivered

The difference in staff time saving and depth of management visibility is vast. Previously relying on manually disseminating hundreds of handwritten, oft-late, faxed-in reports, sales results took six days to turn. Now, they're in real-time. Retail managers have more information, control, ability to forecast and infinitely more time – in fact 42,553 hours more annually, or £261,700 in money terms. Stock ordering by fax is now also eliminated, and stock takes, back-stocks and over-stocks are no more. Celebrations Group put a conservative 5% on human error reduction too. The business value



of trusting data is enormous yet intangible. But put just £1 to each error and that's £223,405 saved annually.

The pre-Christmas installation success has also enabled Phase II - the introduction of scanning, to be delivered a whole three months ahead of schedule. Remember of course that product bar coding in the greeting card industry is highly bespoke and full of peculiarities. But buying power brings supplier leverage and influence for change. 5500 SKUs can now be scanned – that's 60% of Group range. The number one manufacturer of discount cards is about to convert too. This project has brought radical change, turning 30 years of industry standard on its head.

So scanning, and the ramped up sophistication, item-level stock control and more granular merchandising intelligence it brings, is now a reality. Previously lacking central merchandising integration too, the objective to reliably understand what to sell where, and when to sell it, has been achieved. Customers now have what they want, where and when they want it. Scanning also means far shorter queue times, and staff time is liberated for customer service on the shop floor. Staff prompts at till are resulting in up-sell. Average basket size has increased, with seven pence attributed to EPoS, all told. Over the course of a year that's a £1,274,000 rise in sales. In tandem, Chameleon's functionality enables

creative promotions – now driven daily, with foresight not hindsight. All contributing to effective competition, stock line profitability is now optimised. A recent example brought £12,000 profit, in just one week. Extrapolate per annum, even remove 20% for pragmatism, and that's approaching £500,000 – on one product category. There are 20 product categories.

Planned extensions to the initiative

With the new technologies in place, future initiatives are also being delivered ahead of target dates. The new store system and associated infrastructure has enabled the rapid progression and smooth execution of other plans. So, alongside scanning, a new store Intranet and in-store mailing system is now up and running, both also three months ahead of schedule. Providing vital communications, these facilities save 'mass' ring rounds, whilst new HR initiatives are being enabled too. This project's timescale success has turned future initiatives into actual, now delivered initiatives.

The future sees EPoS being used to 'piggy-back' in other technologies, and as a stepping-stone to much higher levels of business analytics – for fraud prevention and alike. Merchandise system changes, tighter supply chain integration, automatic stock monitoring and replenishment, and just in time ordering are also on the cards.

Celebrations Group anticipate slashing stock turn from thirty weeks to circa fifteen. Idealistically, this would release £3.5 million in cash!

So, the brave heart decision to implement before Christmas has clearly paid off. Like-for-like turnover is up over 12% versus a 2% industry average. For Celebrations Group, EPoS was required as a next step prerequisite, a platform for the future. EPoS is so prevalent now. So, isn't it refreshing to re-live the massive returns that this technology delivers and that so many just take for granted. ROI has been turned in just 10 months.

Tim Lawson, Celebrations Group Operations Director concludes; "There was strategic benefit for us in developing our infrastructure into what it should be for an estate of our size. We're a mature business and we now have the technology infrastructure and information we need to support it. This is a sizable achievement given the magnitude of our totally blank canvas, the aggressive timescales and the pre-Christmas risk. We're extremely impressed and can't fail to be delighted with the results returned."

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