



Capgemini's
Digital Transformation
expertise helps power our
client's growth across
multiple channels

Driving Digital Transformation at a leading furniture retail company with ADMnext

Benefits:



Stabilization and modernization of the digital eCommerce platform, ensuring seamless customer journeys for ~2.35B visitors **and the smooth transaction of more than 78,000 orders per day**



A 90% reduction in SKU on-boarding time and a 98% improvement in product buy-ability through implementing a critical Product Information Flow system to support the end- to-end product lifecycle for online SKUs



A 30-40% reduction in order cancellations by implementing a Central Warehouse Information solution to ensure faster and more reliable order fulfillment and near real-time order status updates, which resulted in faster delivery and shipments

Overview

Client: A leading multi-national furniture and home accessories retail chain

Sector: Retail/Home furnishings

Need/Challenge: Our client wanted to bring their cutting-edge, modernist sensibilities to their digital presence and capabilities



In the beginning, it was a fairly small collaboration, but it continued to grow up until 2011, the defining year was when we entrusted a portion of our IT functions to Capgemini. Since then our relationship has evolved and entered a new phase.”

Deputy Account Manager
Client's organization



The Client:

The client is one of the world's largest furniture retailers, known for their functional and modernist designs, and stress on sustainability. They have a presence all across the globe, with 422 stores spread across 50+ countries. Despite their strong brand and widespread retail presence, they were struggling with their digital presence and online sales.

Our engagement with the client started in 2011 when we won an ADM contract to support approximately 100 services (70 of which were considered critical). We started with 250 Full-Time Employees (FTEs) supporting about 250-260 stores. Over time, the number of stores grew to 422, while the support team size remained almost constant. This was made possible due to continuous productivity improvements.

On average, the delivery team also helped reduce incidents at a rate of 10-15% per year.

Capgemini's performance in meeting the client's basic ADM expectations enabled us to embark on an ambitious digital transformation program, which helped improve performance on several fronts. Today, about 1,100+ FTEs from Capgemini are helping expand the client's digital footprint across the globe. The client, in turn, demonstrated their commitment to taking this partnership forward by renewing their service delivery contract with Capgemini in 2017. Our teams now support their retail web presence in 21 countries (up from 13 in 2012), along with a click-and-collect solution in 25 countries. Our delivery team also helped support and stabilize the client's strategic platform "new web" which is currently operational in four markets. Given our successes, the client also began relying on us to support their target digital architecture.



The Need/Challenge:

The client was predominantly a bricks-and-mortar company, which placed a lot of value on in-store experience to generate sales. Online sales accounted for no more than 5-6% of their overall revenues. However, given changing consumer shopping patterns, a need was felt to improve the company's digital capabilities and online presence.

On the one hand, they wanted to bring their online presence and customer experience in line with their functional and modern brand identity. On the other, there was considerable scope to utilize digital technologies, in order to improve in-store customer experience.

To meet these objectives, they were looking for a partner that could provide end-to-end services and help them at every stage of their digital transformation journey. Among the identified

problem areas, was their eCommerce channel, which was experiencing issues due to inaccurate, incomplete, and low-quality product and/or supplier data.

Given the rapid and sustained growth in the number of SKUs being listed, there was a pressing need for an SKU onboarding process that was faster, free of errors, and would give greater control and visibility to their employees.

There was also a need to increase business process focus in order to increase retail web sales. It was found that poor quality eCommerce process flows were leading to a high cart abandonment rate that was impacting web sales. Another "low-hanging fruit" was in the usage of digital solutions to improve both employee collaboration, as well as in-store experience for shoppers.



The Solution and Benefits:

Capgemini's ADMnext is a full-stack approach to ADM services that combines the right people, processes, frameworks, and tools to support customers at every stage of their journey. ADMnext can support the most basic requirements of cost effectiveness and operational efficiency, as well as more advanced goals such as digital transformation and innovation. Our journey with this client started with supporting applications across areas such as customer payment, warehouse management, sales, orders, and delivery. This saw Capgemini leverage ADMnext to carry out a basic data optimization exercise. This was followed by a refactoring, restructuring, and removal process to improve the stability of IT services.

After achieving IT stability, the delivery team focused on making customer journeys seamless across channels for approximately 2.3 Billion web visits (2018 figures). To do this, the team supported a solution based on IBM Websphere and Oracle ATG. This ensured early detection and prediction, and proactive monitoring of critical metrics. A robust release process, well-defined quality gates, and high test coverage through automation delivered shorter time-to-market and a better user experience.

A major part of this effort to upgrade the client's eCommerce site was our focus business processes to reduce high cart abandonment rates and drive up overall retail web sales. The delivery team first mapped and then aligned the retail IT setup to all key business processes, transitioning from IT KPIs to business-focused KPIs. These business KPIs were then measured against the eCommerce customer journey. Metrics were then grouped and aligned to derive a set of ten SMART-ADM linked business metrics, which covered the eCommerce customer journey. An "eCommerce customer journey dashboard" was then implemented to measure and highlight deviations from targeted business KPIs. The whole process brought greater clarity and improved tracking of business outcomes.

Capgemini also put a "SKU on-boarding" solution in place, which included a show-ability and buy-ability dashboard that provided complete visibility of product attribute introduction and modification from sourcing to order placement. The solution generated alerts if the on-boarding process was stuck at any stage, enabling quick resolution of sticking points by the client's employees. It also included a predictability feature, which enabled stakeholders to view probable visibility and buy-ability dates, so they could make accurate decisions in terms of placing orders or revising pricing, etc.

Finally, Capgemini introduced an integrated mobile app that empowered co-workers and equipped them with complete product information including price, color, and size, along with availability, delivery, and spare parts, so they could serve customers better.

Today, a customer can create a shopping list at home, and come to the store and hand it to a representative. With the help of handheld devices, representatives can now create the entire order, raise service orders, and generate the bill. The solution also includes a map which helps customers navigate the store, and view information on ongoing offers and other nearby store locations. This solution has already been rolled out to 322 stores across the world.

The eCommerce and business-focused solution proved to be a strong enabler for digital growth acceleration, providing 24/7 seamless support, 99.99% availability, and smooth booking for an average of 78,000 online orders per day by the end of 2018.

Some of the key benefits it provided included:

- Supporting a growth in online sales from 6% to 10.1% in three years
- An incremental annual sales growth of 10% through the implementation of Click & Collect for the non-eCommerce market
- A 5% improvement in cart abandonment rate
- Glitch-free campaign management, supporting 700+ campaigns in 2018
- 100% availability during highest sales/orders days such as Black Friday and Cyber Monday

The "SKU On-boarding" solution resulted in:

- 75% reduction in product load lead-time (from 22 to 5 days)
- 98% increase in product buy-ability within two years

The in-store mobile app resulted in:

- Improved in-store experience for customers by providing the right information about the right prices and promotions
- Enhanced employee collaboration, along with enabling store associates to quickly locate required products and stay on top of the inventory situation

The Road Ahead with ADMnext:

With our ADMnext offer, we are closely partnering with the client in their digital transformation journey. Over the next three to five years, our focus will be on converting some of their legacy platforms into more API and micro-services based platforms, while moving others to the Cloud. Over time, the goal is complete transformation, with much greater adoption of Cloud, DevOps, and distributed agile.



About Capgemini

A global leader in consulting, technology services and digital transformation, Capgemini is at the forefront of innovation to address the entire breadth of clients' opportunities in the evolving world of cloud, digital and platforms. Building on its strong 50-year heritage and deep industry-specific expertise, Capgemini enables organizations to realize their business ambitions through an array of services from strategy to operations. Capgemini is driven by the conviction that the business value of technology comes from and through people. It is a multicultural company of over 200,000 team members in more than 40 countries. The Group reported 2018 global revenues of EUR 13.2 billion.

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People matter, results count.

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