

Matalan Improves Customer Service with New In-Store Systems from Capgemini

A complete revamp of in-store technology featuring a customized electronic point-of-sale system has helped leading UK retailer Matalan provide better customer service and faster checkout times.

The Situation

Matalan is one of the UK's leading clothing and homewares retailers, trading from 6.5 million square feet in some 190 out-of-town stores. The technology being used within the business was more than 10 years old and was becoming a constraint on the efficiency of the company's operation. It was decided to replace all core systems within finance, supply chain, retail and marketing in a £25 million program.

The Solution

A new customized electronic point-of-sale (EPOS) system was one of the core elements of the overall change program, and was carried out in partnership with Capgemini as consultant, project manager and system implementer.

The Result

The new EPOS system is making strides toward achieving some of Matalan's most pressing challenges in the key areas of customer service, responsiveness to changing patterns of demand, staff/system interfacing and promotional effectiveness. It is also enabling Matalan to accommodate and exploit new developments in retail technology, both current and imminent, such as chip-&-pin credit cards and the use of PDAs by mobile in-store sales staff.

“Capgemini have done a magnificent job of applying the right point-of-sale technology for our fast-moving retail environment. Their consultants were able to achieve terrific rapport with Matalan staff at all levels while challenging accepted convention and proposing stimulating and innovative new ideas of their own. The net result is a very significant boost to our capabilities in key areas such as customer service and flexibility of response.”

– Nick Beighton, Change Management Director and Chief Information Officer, Matalan

How Matalan and Capgemini Worked Together

Matalan, one of the UK's leading clothing and homewares retailers, offers quality products at low prices. By buying direct from the manufacturer and having convenient out-of-town stores with low overheads, Matalan is able to offer unbeatable value for money.

The company recognized that their existing earlier-generation electronic point-of-sale system was too slow and inflexible to cope with the fast-changing needs of new-millennium retail. The system also was becoming increasingly difficult to maintain, did not interface readily with other systems in the supply chain, and could not accommodate the new chip-&-pin credit cards or new "add-on" technology such as Personal Digital Assistants used by sales staff as they move around a store.

Matalan turned to Capgemini to help them implement a new EPOS system that would achieve the following objectives:

- Improve key aspects of customer service (e.g., shorter queues at checkouts, better information in response to customer requests).
- Facilitate a rapid and automated response to changes in consumer tastes and spending patterns via improved management information and improved integration with other systems in the supply chain.
- Offer outstanding ease of use to enable stores to cope with the high staff turnover that is currently a feature of UK retail generally, and with a mixture of permanent and temporary staff.
- Enable Matalan to make special offers and marketing promotions fully effective at the sharp end of its business: in-store and at the checkout.
- Accommodate the use of new retail technology.

The new customized EPOS system was designed and installed by Capgemini in collaboration with Retail Java and using Open Systems software for maximum flexibility. A key feature of the project was the outstanding degree of integration between the needs of the business, specific business processes, and the technology deployed, with an equally integrated approach from Capgemini consultants and technology specialists.

However, the truly innovative feature was the decision to involve in-store staff at all levels in the project from start to finish, ensuring that the resulting system, and the business processes associated with it, would be easily workable and fully effective in practice. As a consequence of this decision, the project was carried out on an interactive, iterative basis, with feedback from in-store staff at each iteration, an approach that also enabled timescales to be compressed and the right results to be achieved more rapidly.

Another innovative feature was the decision to use a technical architecture based on open source software. The final system became the first large-scale Linux EPOS system to be deployed in UK retail.

The decision to adopt a new EPOS system is one of the most critical that any retailer can make, and Matalan was naturally concerned to minimize risk. To accomplish this, a "virtual store" was constructed at a Capgemini development center, so the new system could be safely tested under as realistic an offsite situation as possible.

All key deliverables of the project were met in full. Benefits of the EPOS project include more flexible merchandise promotional activity, better customer service, with faster checkout times, productivity improvements in the back office and front of house, and reduced staff training time.

Matalan now has the ability to accommodate modern retail technology, spot trends quickly and respond to them, and rapidly change the focus of the business or of any individual store. Most importantly, this key change program is seen as a springboard for increased sales and profit performance, and the means for effecting a transformation of the company's business.



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