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# UNIT 14 INDIAN CASE STUDIES: USES OF IT IN RETAIL

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## 14.0 OBJECTIVES

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After studying this unit, you should be able to:

- explain the decision of Pantaloon to implement an ERP system from SAP;
- discuss the decision to move to Microsoft Exchange Online in order to boost IT efficiency;
- describe an open source solution that helped Trent to secure its applications and earn an edge over their peers in terms of operational efficiency and ability;
- elaborate powering POS operations at SPENCERS through smart shop; and
- identify the reasons to automate distribution centres' for efficiency.

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## 14.1 INTRODUCTION

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Technology has been an area of intense focus in retail industries for enhancing efficiency in all areas of operation. Improvements have been made in areas such as supply chain management, inventory management, customer experience, and loss prevention. Wireless technology, permitting communication between people and devices anywhere and without cables, has enabled the dramatic transformation of business processes in the past, and continues to do so. However, wireless deployments in the past have been limited by security requirements, the cost of deployment, inadequate management solutions, lack of standards, and availability of innovative solutions. Rapid advances in wireless local area network (WLAN) technology in recent years along with widespread adoption of the technology in the consumer and enterprise space have eliminated many of these roadblocks. Today, a new wave of opportunity exists for retail industries to improve margins through the use of wireless technology. In this unit, you will learn uses of IT in retail sector with special reference to Indian retailers.

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## 14.2 PANTALOON: ERP IN RETAIL (CASE-1)

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### About the Company

Pantaloon Retail is the flagship enterprise of the Future Group, with a presence across multiple lines of business. The company owns and manages multiple retail formats that cater to a wide cross-section of Indian society. Headquartered in Mumbai (Bombay), the company operates through four million square feet of retail space, has over 140 stores across 32 cities in India and employs over 14,000 people. The company registered a turnover of Rs 2,019 crore for FY 2005-06. Pantaloon Retail forayed into retail in 1997 with the launching of its fashion retail chain, Pantaloons in Kolkata. In 2001, it launched Big Bazaar, a hypermarket chain. This was followed by Food Bazaar, a food and grocery chain. Next up was Central, a first of its kind located in the heart of major Indian cities. Some of its other formats include, Collection (home improvement products), E-Zone (consumer electronics), Depot (books, music, gifts and stationary), aLL (a Little Larger, fashion apparel for plus-size individuals), Shoe Factory (footwear) and Blue Sky (fashion accessories). It has recently launched its e-business venture, futurebazaar.com. The group's subsidiary companies include, Home Solutions Retail India Ltd, Pantaloon Industries Ltd, Galaxy Entertainment and Indus League Clothing. The group also has joint venture companies with a number of partners including French retailer Etam group, Lee Cooper, Manipal Healthcare, Talwalkar's, Gini & Jony and Liberty Shoes. Planet Retail, a group company owns the franchisee of international brands like Marks & Spencer, Debenhams, Next and Guess in India.

Needing an organization-wide IT solution to help it perform better, Pantaloon decided to implement an ERP system from SAP. By Kushal Shah

More than eight years after it forayed into the retail business, Pantaloon Retail decided to implement SAP to keep itself competitive in the rapidly growing Indian Retail Market. Store operations have never been as important to retailers as they are now. Successful retailers are those who know that the battle for customers is only won at the frontline, which in the case of a retail chain is at its stores. Pantaloon was regularly opening stores in the metros and there was an urgent need for a reliable enterprise wide application to help run its business effectively. "The basic need was to have a robust transaction management system and an enterprise wide platform to run the operations," says Rakesh Biyani, Director, Pantaloon. The company was looking for a solution that would bring all of its businesses and processes together. After a comprehensive evaluation of different options and software companies, the management at Pantaloon decided to go in for SAP.

### The Solution

Some of the qualities of SAP retail solutions are that it supports product development, which includes ideation, trend analysis, and collaboration with partners in the supply chain; sourcing and procurement, which involves working with manufacturers to fulfill orders according to strategic merchandising plans and optimize cost, quality, and speed—variables that must be weighted differently as business needs, buying plans, and market demand patterns change, managing the supply chain, which involves handling the logistics of moving finished goods from the source into stores and overseeing global trade and procurement requirements; selling goods across a variety of channels to customers, which requires marketing and brand management; managing mark-downs and capturing customer reactions, analysing data, and using it to optimize the next phase of the design process.

Aim	:	To deploy a robust transaction management system and an enterprise-wide platform to run its operations.
Solution	:	SAP retail solution
Implemented by	:	SAP team with the help of Nova soft, Singapore
Number of users	:	Around 1,200
Time taken	:	About six months
Cost of implementation	:	About \$10 million

**The implementation:** “The implementation was outsourced to a third party. The implementation was done by the SAP team with help of Nova soft which is based out of Singapore,” says Biyani. Some people from Pantaloon also assisted in the project. About 24 qualified people worked on this SAP implementation. SAP was chosen as the outsourcing party on a turnkey basis. This project was headed by Pantaloon’s Chief Information Technology Officer, Chinar Deshpande.

**Three Phases:** SAP implementation is not a single phase process. The project was divided into three phases.

The first phase involved blueprinting existing processes and mapping them to the desired state. In this phase, the entire project team worked on current processes within the structure of the organisation, analysed and drafted them. This blueprint was later used in the formation of new states of the solution. Since the SAP would combine all the processes, each and every one of these had to be evaluated.

In the second phase, the SAP platform was developed with the help of Novasoft’s template which was predefined by SAP after evaluation of Pantaloon’s needs and expertise in retail solutions.

The last phase in this project was for stores to switch over to the new system and for current data to be ported. Before the SAP implementation, all the data was unorganised. This data had to be migrated to the new SAP application.

The project was flagged off on 15th June 2005 and took about six months to finish. It went live at the head office on 1st January 2006. The stores went live on SAP from 1st January 2006 to 30th June 2006.

**Benefits and Challenges:** The key challenges in this project were not in the implementation. Rather, the difficulties were faced during the data migration and in managing the interim period when the project was underway for about six months. Migrating unorganised data to an organized format is a challenging task. Pantaloon has not been able to see immediate benefits from this implementation. This application certainly has long term benefits which will be seen when the performance of various aspects will be analysed. “It is too early to calculate RoI. We have already started working on MAP (Merchandise Assortment Planning), Auto-Replenishment and Purchase Orders. We hope to use these systems to optimise our inventory and cut it by about two to four weeks (depending on the line of business),” says Biyani.

**Maintenance & Hardware:** This application is currently being used by around 1,200 employees across the organisation. For maintaining this implementation and its related applications, Pantaloon has an in-house team and it has outsourced ABAP resources. They are also in the process of setting up a SAP Competency Centre. The system runs on a HP Superdome server on HP UNIX 11i and the database is from Oracle. The cost of this project was about \$10 million.

**Future projects:** After the successful implementation of SAP for its retail chain, Pantaloon plans to go ahead with IT projects such as implementation of WMS with RFID, Customer Intelligence and CRM. Inventory and Promotions Optimization will be pursued later this year.

**Source:** WEB LINK-<http://www.networkmagazineindia.com/200703/casestudy02.shtml>

### Questions

1. Discuss the main problems faced by the company.
2. In your opinion do you think that the steps taken by the company to improve operational efficiency are satisfactory. Give your arguments.

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## 14.3 INFINITI RETAIL (CROMA): IT INFRASTRUCTURE FOR RETAIL CHAIN (CASE-2)

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### National Chain of Retail Stores Moves to Hosted Solution, Reduces TCO by 25 to 30 Percent

To boost IT efficiency and give employees access to unified communications, Infiniti Retail decided to move to Microsoft Exchange Online, a part of Microsoft Business Productivity Online Standard Suite. It is now benefiting from simplified data backup and recovery, along with improved mobile access to email. Additionally, the move to the new solution has resulted in improved communication, collaboration, and productivity; reduced IT effort; and a 25 to 30 percent reduction in Total Cost of Ownership (TCO).

#### Business Needs

Infiniti Retail, a TATA Enterprise, operates a national chain of multi-brand electronics stores under the brand name Croma. Croma is one of India's first national, large formats, specialist retail chain of consumer electronics and durables. The 64 stores with new ones opening regularly across the country offer more than 2,500 products and 180 brands in seven categories.

Retail today is all about being better, faster, and leaner. Whether you are a global chain or an internet-only outlet, the willingness to adapt and adopt is essential to survival.

Infiniti Retail maintained its email servers on-premise. The company had two exchange servers, both of which were five year old and were running on Microsoft Exchange Server 2003. With around 2,700 employees, of whom 700 were email-enabled employees, email was critical. And, as the number of stores and employees both were increasing, approximately 10-25 email ids had to be created every month. To safeguard against disk failures, backups were taken on tapes, which is again a cost. At times, there were backup job failures, which required manual intervention to troubleshoot, which was time-consuming task. Another significant challenge was setting up a disaster recovery server. With such an old infrastructure, hardware support had ended and so hard disk scalability in the server and creating these email ids was turning out to be a challenge. The hardware had reached the end of its life, as support for the servers was no longer available. In addition, new versions of messaging software offered many more services and features, such as unified communications. Refreshing the entire infrastructure was inevitable," says Mr. Nadeem Malim, Senior Manager – IT, Infiniti Retail. "We needed to provide state-of-the-art IT services without the need for large on-site infrastructures."

## Solution

The company evaluated couple of on-premises, hosted, and leading cloud-based messaging solutions. After a proof of concept, it finally made the decision to go with Microsoft Exchange Online, a part of Microsoft Business Productivity Online Standard Suite, a cloud-based set of messaging and collaboration tools, delivered as a subscription service. The solution gives businesses rich capabilities without the need to deploy and maintain software and hardware on-premise. “The POC showcased how cloud solutions can reduce costs, improve agility, and enhance global consistency,” says Mr. Nadeem Malim.

Infiniti Retail partnered with Microland, Microsoft Infrastructure Partner, for the deployment of the solution. Infiniti Retail migrated its 700 email users in just 60 days to Microsoft Exchange Online. “The switchover was absolutely smooth for us and we could access the same email as before,” says Mr. Nadeem Malim. Users can access the advanced email, calendaring, contact management, and task management features of Exchange Online through the Microsoft Office Outlook 2007 and Outlook 2010 messaging and collaboration clients, or they can use Microsoft Outlook Web App to access the same functionality from almost any web browser. IT staffers can now create bulk email ids in few minutes, with no worries about storage and server sizing, etc. Additionally, they no longer need to perform backup operations to ensure redundancy for their messaging environment. Instead, mailbox data is continuously replicated to Microsoft data centers in distributed geographic locations.

Exchange Online runs in secure Microsoft data centers that are geographically redundant. In addition, mobile support for smart phones enables devices to quickly connect mobile users to email and other messaging functionality. Capabilities provided by Office Live Meeting are also under evaluation to conduct virtual meetings for project teams, Operations, HR interviews and groups, where face-to-face meetings would be difficult. This would also reduce some traveling expenses. The capabilities provided by Business Productivity Online Standard Suite all work together along with Microsoft Office desktop applications to deliver a seamless experience.

### **Benefits:** Hosted IT Reduces TCO by 25 to 30 Percent

Because Infiniti Retail outsources its IT, the team doesn't have to think about server management, back-up, disaster recovery, installing and upgrading software, monitoring security, troubleshooting or any other IT maintenance issues. All this is taken care of by Microsoft. “We just pay a monthly fee and it's all managed for us,” says Mr. Avijit Mitra, Chief Financial Officer, Infiniti Retail. “Eliminating the need to buy or manage infrastructure means tangible savings. We estimate that our TCO will reduce by 25 to 30 percent.”

### **Easy to Manage System Reduces IT Effort**

The company's move to Microsoft Business Productivity Online has also yielded productivity gains by reducing system administration workload by approximately around 25 to 30 hours a month. Because Microsoft hosts and manages the servers, the company does not have to invest in hardware or the administrative support required to deploy and manage solutions in-house.

### **Integrated Solution Boosts Productivity**

The company is confident that seamless access to email, calendars, contacts, and business documents increases workforce efficiency. Exchange Online offers scalable and cost effective solution to enable such seamless access. ,” says Mr. Avijit Mitra.

**Source:** <http://www.microsoft.com/india/casestudies/microsoft-business-productivity-online-standard-suite/infiniti-retail/national-chain-of-retail-stores-moves-to-hosted-solution-reduces-tco-by-25-to-30-percent/4000010691>

### Question

1. What are the basic problems faced by the company? Discuss the measures to overcome the problems faced by the company?

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## 14.4 TRENT STRENGTHENS SECURITY WITH AN OPEN SOURCE SOLUTION (CASE-3)

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### Executive Summary

At Trent, the retail arm of the Tata Group, life centered on their cash tills. But it was also open to security challenges. Besides the cash till software wasn't centralized and required to be physically managed. Read how an Open Source solution helped Trent secure its applications and earn an edge over their peers in terms of operational efficiency and agility.

Retail is in the detail." That's a mantra that resonates across Trent House, the corporate office of Trent, the retail arm of the Tata Group. It's a philosophy is driven by Noel Tata, MD, Trent, known for his eye for detail. It's also a strategy that helps Trent stay on - what some experts call - its 'conservative' course. Although 'conservative' turned 'smart' when Trent maintained profitability - one of the few retailers (possibly the only Indian one) - during the growth frenzy that the sector faced a few years ago. That conservative tag, however, can't be applied to Trent's IT operations. Headquartered in Mumbai, Trent operates multiple formats including Westside (its lifestyle retailing stores); Star Bazaar (its value retailing stores and hypermarkets) and Landmark (its books and music retail chain).

### Case Study Highlights

**Leaky Cash Tills:** At Trent, the IT team led by Vikram Idnani, the retailer's head of IT, was trying to figure out how they could prepare the company for growth by infusing it with more operational ability and flexibility. Like all retailers, Trent's life centered on their cash tills. When it snapped open with a characteristic ka-ching!, it made everyone glad. But it was also open to security challenges. For instance, the system allowed some staffers access to sales data because the POS and the backend interacted via flat files and these were available to some people in a store's back office. "The fact that my day-to-day sales data was accessible to someone before he sends it out to the head office was the biggest sign of a security gap in the system. Also, we did not have visibility. If a store manager was removing some transactions, it would only come out in a post-facto analysis, when finance did not get the money they expected. Our objective was to have a system where the stores had no access to sale data after sales were closed," says Idnani.

Also, Trent's business demanded quick deployments and better control but each time the IT team made a change to the cash till's software, it needed to ensure that the update was replicated across all of Trents multiple format stores - quickly. And that could only be done with a centralized set up - something Trent didn't have. "Earlier, we needed someone to go to a store physically and make sure he configures the cash till for every single store," says Idnani. The rising cost of managing their cash tills was also beginning to pinch. "A cash till should be a highly efficient, robust, secure, and cost effective piece of equipment," says Idnani. "With the existing number of tills we were

facing a challenge of increasing costs. And we knew that this problem would only be compounded as we expanded. Mind you, this was a time when Trent's revenues were growing a consistent clip of 55 percent CAGR. We were planning to add 10 new stores for both Westside and Star Bazaar over the next two years." Typically, each Westside store has between seven and nine cash tills. By adding 10 stores a year, just Westside would have 90 more tills to manage. And Star Bazaar has about 30 tills a store, so 10 new stores meant 300 more tills. "The growth in the numbers could lead to a huge escalation of our costs," says Idnani.

**Open Source Decisions:** With plans for expansion already in the works, Idnani had to move fast, but he also needed a technology solution that offered a holistic solution. When Idnani joined Trent in June of 2006, the enterprise depended on a platform called Retail Pro for its purchasing and tracking the movement of its goods. It also acted as their point of sale. But Trent was quickly outgrowing the software. "We were looking at SAP and a front-end solution as RetailPro would not be able to scale anymore. With this in mind, we decided to have a bespoke front-end. That was the threshold moment that drove us to look for a new solution," says Idnani.

But an Open Source solution in the Indian retail industry was unheard of, he says. So he decided to evaluate other solutions. He looked at an off-the-shelf product which operated on a Windows platform. "It was not a popular product but it was from a very stable company. It didn't make the cut because it could not contain cost over a long period. The product addressed the need for centralization, but we knew that with Windows there would always be a security risk at the cash till. And with Windows, we would end up spending a lot of money buying licenses for each new release. On the other hand, Open Source would help keep our costs significantly lower. We realized that if we chose an Open Source solution it would give us a lot of agility and we were also keen to take advantage of flexibility and cost efficiency it offered," says Idnani. Idnani next challenge was securing buy-in from his executive peers. He made a presentation that demonstrated how the Open Source solution would benefit Trent in building business agility, saving costs, and attaining a high level of security - many of the same reasons that convinced him. Management saw merit in the case and gave Idnani the go ahead. With that out of the way, Idnani was faced with another challenge: his team was ill-equipped to work on an Open Source platform. They had no prior exposure to it. In fact, Trent was going to be the first retailer in India to use an Open Source platform, Idnani says. He quickly put his entire infrastructure team through intensive training. Idnani then took another important decision: Trent would not embark on the project in a phased manner because they could not have some stores on one platform and the rest on another. But for that strategy to work, they had to seal every loophole in their plan. "So we did a pilot with two Westside stores in Mumbai for about six to eight weeks," says Idnani.

**Teething Troubles:** When Trent embarked on the Open Source initiative, it was also engaged in multiple projects at the same time. It was in the middle of an ERP initiative at the backend, an OS replacement at the front end and a POS replacement at the front end. "We were revamping our whole business with this one go-live. From that point of view it was a significant challenge. That's the reason we went live late," says Idnani. That wasn't the only challenge the team faced. Vendor support was a major issue that hamstrung the implementation. "While there were a lot of promises from our provider, they could not deliver on them. They had very good resources but very limited ones. Hence pulling those resources for our work and getting timely help from them remained a big challenge throughout the course of the project. It did not affect us to the point that it hit our business but the closure of certain issues was definitely affected. So we had to spend a lot of extra time on research to resolve these issues," says Idnani, adding that

despite the training, his people needed a fair amount of handholding after going live. Idnani says the learning curve lasted for a good year.

**Benefits Galore:** When the project went live in June 2008, Trent became the first retailer in India to go the Open Source route says Idnani. But he adds that the strategy of using Open Source gave Trent an edge over their peers in terms of operational efficiency, security and agility. “Since we went live we have probably had about probably six to eight releases for our point of sales software across all stores. We have brought in several new functionalities to our point of sales system and increased the speed of deployment. So we have faster time-to-market. It helped us adopt new functionalities across the stores before our competition,” says Idnani.

Take for example when Trent’s marketing team needed to roll out a new customer loyalty program called the ‘Blue Tier’ program. The IT team made a quick change to the POS and the program was deployed across 42 stores - all in just two days. This is a far cry from the days when it took 20 days to roll out a new release across all Trent’s stores. Trent has also accrued benefits in the area of cost efficiency. Over a four-to-five year timeframe, Trent’s operating expenses are have been slashed by 40 percent, says Idnani. With the deployment of the Open Source project, Trent has also upped their security posture.

**Source:** <http://www.cio.in/case-study/ka-ching>

### Question

1. Do you think that the open source solution executed by the company to strengthen the security is a right step. Discuss.

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## 14.5 POWERING POS OPERATIONS AT SPENCERS THROUGH SMART SHOP (CASE 4)

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**The Customer:** The Customer is part of an USD 3.25 Billion Indian Retail giant, and is the pioneer of organized retailing in India. They have over 5 hypermarkets, and 50 plus stores across India.

**The Business Challenge:** Client need was that of an Intelligent POS system, which can perform fast billing operations with extremely customer friendly interface and easy to use workflow. The automated POS was required to fully integrate with the existing Merchandise management system.

**The Solution:** Zensar integrated its proprietary POS with the existing Back Office application. Most of the components of Smart Shop were customized to take care of functionalities required by the client, and a few new components were also created to give some client-specific functionality.

The Point-of-sale module was designed to take care of all the front office needs like customer invoicing and check out, barcode scanning, multi-payment-mode tendering, promotions implementation, discounts, customer look-up, suspending/recalling/voiding invoices, accepting returns, reporting etc. The invoices/sales receipts were made to be fully customizable. It also provided multi-level security to sales personnel for returns, discounts, voids and direct pricing.

### Business Benefits

- Custom India localization & flexible in handling various retail taxes.
- Enabled handling of both POS sales and Back Office Sales and managing of various promotions and discount schemes run concurrently.

- One solution for integrated end-to-end retail operations across client stores, warehouses, and headquarters.
- Ready integration with clients existing systems/applications.
- Dual screen display facility at the checkout counter.
- Built-in dynamic report generator tool for custom reporting.
- Ability to work in stand-alone mode.

**Source:** <http://www.zensar.com/resources/case-studies/232-powering-pos-operations-at-spencers-through-smartshop#ixzz1t2gECA6p>

### Question

1. Discuss the usefulness of POS operations at SPENCERS through Smart Shop

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## 14.6 HYPER CITY AUTOMATES DISTRIBUTION CENTERS' FOR EFFICIENCY (CASE 5)

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Hyper City Retail is a big-box hypermarket with three stores covering over 2.2 lakh sq.ft. All the hypermarkets have 'back-stores' to store merchandise, but because retail space is expensive these store-rooms only hold a day's worth of inventory. The bulk of Hyper City's inventory is maintained at mammoth 200,000 sq.ft. distribution centers (DCs) on the outskirts of a city. These DCs handle about a million SKUs and 1,200 vendors.

To make certain that the hypermarkets' shelves are always stocked, the DC's processes have to be automated. DC personnel set themselves a target of achieving a minimum of a 95 percent fill-rate across all categories for store transfers and also receive goods with minimum vendor vehicle turnaround time. "It was clear that to ensure on time fulfillment of store transfers, the DC's processes had to be automated. In order to help optimize various processes and reduce the time spent in the DC, we knew that the solution had to run on a mobile device," says Veneeth Purushotaman, head-technology, Hyper City Retail.

Today, when a product arrives at the DC, the receiving team loads its purchase order on a handheld scanner device. This helps reduce manual entry (and its accompanying errors). Once the items are received, the warehouse management system prints out a 'put-away' document. This document is now available on the scanner and guarantees that a DC staffer puts items away correctly. Finally, when it is time for inventory to be moved to a store a 'pick' document is assigned to a 'picker' using a wireless hand-held scanner. This document shows the exact location of a product and the number of pieces to gather. If an item is not on the pick list an error message informs the picker. Within a month of the implementation, staff costs at the DC fell by 23 percent, and sales rose by 25 percent. As envisioned, turnaround time fell by 12 hours, because errors from misreading data virtually disappeared. Purushotaman's solution also created a unique bond between IT and business processes, creating happier employees. "Attrition is near zero and the enthusiasm and motivation that the DC management system has generated has helped the DC set new benchmarks for retail logistics and warehouse management in India."

**Source:** <http://www.cio.in/case-study/hypercity-automates-distribution-centers%E2%80%99-efficiency>

**Question**

1. Discuss the advantages of automation of distribution centres for efficiency.

**Check Your Progress A**

1. What is meant by ERP?

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2. What do you mean by Point of Sale?

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3. What is WLAN?

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4. What is merchandise assortment planning?

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5. What is meant by SAP?

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**14.7 LET US SUM UP**

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Pantaloon Retail decided to implement SAP to keep itself competitive in the rapidly growing Indian Retail Market. Store operations have never been as important to retailers as they are now. Successful retailers are those who know that the battle for customers is only won at the frontline, which in the case of a retail chain is at its stores. Pantaloon was regularly opening stores in the metros and there was an urgent need for a reliable enterprise wide application to help run its business effectively. Infiniti Retail, a TATA Enterprise, operates a national chain of multi-brand electronics stores under the brand name Croma. Croma is one of India's first national, large formats, specialist retail chain

of consumer electronics and durables. The 64 stores with new ones opening regularly across the country offer more than 2,500 products and 180 brands in seven categories. The company evaluated couple of on-premises, hosted, and leading cloud-based messaging solutions. After a proof of concept, it finally made the decision to go with Microsoft Exchange Online, a part of Microsoft Business Productivity Online Standard Suite, a cloud-based set of messaging and collaboration tools, delivered as a subscription service. The solution gives businesses rich capabilities without the need to deploy and maintain software and hardware on-premise. At Trent, the retail arm of the Tata Group, life centered on their cash tills. But it was also open to security challenges. At Trent, the IT team led by Vikram Idnani, the retailer's head of IT, was trying to figure out how they could prepare the company for growth by infusing it with more operational ability and flexibility. Like all retailers, Trent's life centered on their cash tills. When it snapped open with a characteristic ka-ching!, it made everyone glad. But it was also open to security challenges. For instance, the system allowed some staffers access to sales data because the POS and the backend interacted via flat files and these were available to some people in a store's back office. "The fact that my day-to-day sales data was accessible to someone before he sends it out to the head office was the biggest sign of a security gap in the system. Zensar integrated its proprietary POS with the existing Back Office application. Most of the components of Smart Shop were customized to take care of functionalities required by the client, and a few new components were also created to give some client-specific functionality. Hyper City Retail is a big-box hypermarket with three stores covering over 2.2 lakh sq.ft. To make certain that the hypermarkets' shelves are always stocked, the DC's processes have to be automated. DC personnel set themselves a target of achieving a minimum of a 95 percent fill-rate across all categories for store transfers and also receive goods with minimum vendor vehicle turnaround time. "It was clear that to ensure on time fulfillment of store transfers, the DC's processes had to be automated. Within a month of the implementation, staff costs at the DC fell by 23 percent, and sales rose by 25 percent. As envisioned, turnaround time fell by 12 hours, because errors from misreading data virtually disappeared. Purushotaman's solution also created a unique bond between IT and business processes, creating happier employees. "Attrition is near zero and the enthusiasm and motivation that the DC management system has generated has helped the DC set new benchmarks for retail logistics and warehouse management in India

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## 14.8 KEY WORDS

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- ERP** : It is a suite of applications including financials, manufacturing, human resources and other modules, that together automate the back-office business administration functions of an enterprise.
- Merchandise Assortment planning (MAP)** : It breaks the Merchandise Plan down into the components that enable the planner to address customer preference and need. These components are product attributes, styles, colors, and SKUs.
- WLAN** : It refers to local area network that uses high frequency radio signals to transmit and receive data over distances of a few hundred feet; uses ethernet protocol or WLAN is one in which a mobile user can connect to a local area network (LAN) through a wireless (radio) connection.

- : The physical location at which goods are sold to customers. The point of sale is often more specific than the general building or store where something is sold, typically indicating the piece of technology which is used to finalize the transaction.
- : It is an enterprise resource planning (ERP) software or solution and using its application programming one can effectively manage an enterprise's resources, people, money, machines, etc.