

# Apparel

Technology & Business Insight – From Concept to Consumer

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## Pacific Sunwear: Tracking Business Trends with BI

With more than 900 PacSun stores in the United States and Puerto Rico, Pacific Sunwear is a leading lifestyle specialty retailer rooted in the youth culture and fashion vibe of Southern California, offering private-label and national brands, including Hurley, Billabong, Fox, Volvom, Vurt, Roxy and Quiksilver.

In 2006, Pacific Sunwear was looking for effective ways to evaluate and improve business performance in order to achieve long-term growth. The goal was for executives to be able to access strategic information each day and then perform timely analysis of business trends and key metrics without significantly increasing IT staff or replacing legacy systems. In addition, the company wanted to reduce paper consumption by 50 percent through a significant reduction in the use of printed reports.

Pacific Sunwear searched for an enterprise business intelligence (BI) solution while at the same time consolidating its corporate data into a cohesive structure. Ultimately, the company selected Micro- Strategy as its BI standard and Quantisense for its retail-specific BI capabilities. Netezza was chosen as the high-performance BI hardware platform.

The result, according to Pacific Sunwear's vice president of information technology Steve Rosenberg, is that the solution has enabled the company to deliver time-sensitive business performance metrics to a broad audience, while also enabling it to analyze performance and take action to drive results.

"With the ability to access sales information by style, color, size, store, date/time of transaction along with other key product and location attributes, our associates no longer have to sift through volumes of reports to find information," he says.

"We now rely on a core set of reports that provide flexible views of sales, inventory and sourcing data, and we have the ability to quickly create new reports to answer specific business performance questions as they arise."

### Improving the Monday-morning meetings

PacSun's enterprise dashboard reporting application now provides a single channel of company-wide business reporting and analysis and a holistic view of all corporate data. Users can view information flexibly, by division, department, product attributes and location, at any time. For example, a buyer is able to look at all the hot-selling items and quickly get in touch with the vendor to speed up an order, resulting in fewer out of stocks and increased sales.

"Once we went live with the application, we quickly saw that our Monday meetings were more effective, and that metrics and data were more standardized across the company," said John Fontana, senior vice president of supply chain and information technology.

The QuantiSense application and Micro- Strategy's dynamic enterprise dashboards provide great scalability, performance and flexibility, he says, and enhance the company's view into the trends and the performance of the business.

Pacific Sunwear's users are able to produce highly productive and detailed seasonal re-caps. With MicroStrategy, business users independently access detailed information to analyze business performance and make better decisions in merchandising, planning and allocation, store operations and store management. For example, buyers and allocators have been able to analyze size performance, with insight into which sizes to buy and reorder for each store.

Additionally, merchandise planners and allocators are able to measure customer service levels across all of the styles and sizes in the stores and in the distribution center, and spot stock outs and imminent stock outs, and more effectively manage and fine-tune inventory levels across all of the company's basic denim lines.

Additionally, QuantiSense built one of its signature Playbooks, "Top Stores," for Pacific Sunwear, to provide insight into the depth and breadth of the merchandise assortment between stores to optimize purchasing decisions.

### **Gaining quick insight - without replacing core systems**

PacSun currently counts more than 150 users that run thousands of ad-hoc reports and hundreds of pre-built reports against a five-terabyte Netezza data warehouse. Pacific Sunwear supports its BI environment with a team of approximately five FTEs. Web-based training for the application is available, and users can seek this and other help topics within the application as well.

"With MicroStrategy and Quantisense, we have an integrated, sustainable system quickly, with out-of-the-box retail metrics and dashboards that provide quick, actionable insight," said Fontana. "The software gives us access to very critical details of our business and helps us make faster, better, more informed decisions," he says. Additionally, the company was able to achieve these results quickly, without replacing core systems, which, Fontana is quick to note, would have been costly, painful and highly disruptive to Pacific Sunwear's business.

Use of pre-built models significantly reduced the typical data warehouse implementation timeframe. Within six months of implementation, Pacific Sunwear's data warehouse was populated with three years of history, and provided more than 1,000 different retail metrics and 300 standard reports.

PacSun is in the process of rolling out region, district and store sales dashboards and KPIs to field management throughout the remainder of this second quarter. In the future, the company will investigate the use of enhanced PDF reports to allow field users to drill down into details of their area of responsibility without a network connection or a local database.

Pacific Sunwear will also look at opportunities to deliver information to mobile devices, hopes to leverage transactional-level data to perform market basket analysis to better understand consumer purchasing behaviors, and has plans to expand the contents of the data warehouse to include payroll data.

Pacific Sunwear contributed this story to Apparel.

### **systems at a glance**

- \* Business Intelligence: MicroStrategy
- \* Business Intelligence Hardware Platform: Netezza
- \* Core Merchandising: Island Pacific
- \* Retail-Specific Business Intelligence: Quantisense
- \* Sourcing: Tradestone
- \* Warehouse Management: Manhattan Associates