

# Stitching Together a BI Plan

*Jo-Ann Stores gains greater control over inventory, margins*

**A**fter a tough year in fiscal 2006, Jo-Ann Stores is bouncing back with a “repair plan” that includes implementing an operational business intelligence solution. Sitting on top of the company’s data warehouse management software, the BI solution will give the company’s top executives, merchandisers and inventory managers easy access to the strategic business intelligence that can help drive sales, enhance the bottom line and alert managers to negative trends before they can spiral out of control.

Craig Eick, manager of business intelligence for the 800-unit, Hudson, Ohio-based chain of fabric, crafting, decorating and sewing products stores, says that the WebFOCUS solution from New York-based Information Builders will give Jo-Ann the reporting tools it needs to gain critical visibility into accurate business information.

“We’re in the process of regrouping as a company,” Eick says. “Our problem was not so much sales declining last year, but margins declining. A large number of our sales were promotional.”

Eick says the company’s repair plan, supported by business intelligence information organized into analytical reports by WebFOCUS, centers on cutting costs and enhancing productivity. Specifically, the company hopes to take control of inventory expenses,

restore targeted gross-margin rates and pursue profitable sales.

In 1999, Jo-Ann Stores invested in an early version of retail information software with the hope of automatically replenishing stores and using sales data to generate orders. But progress was slowed because the company lacked good reporting tools, Eick says.

Because the application was new, Eick described the infostructures as “very limited. They were basically just flat tables. In addition, we had to use [the vendor’s] proprietary language to write reports, which meant we had to have a fairly large IT staff to do those reports.

#### Time-consuming process

“All requests for information had to go through reviews, be assigned a priority rank and then the request would wind up on some coder’s desktop and he would write the report.

“It was a long, drawn out process that could take weeks or months,” Eick says.

The infostructure reporting tool was limited to gathering data on five attributes of a SKU. Jo-Ann stores typically assigns between 50 to 60 attributes per SKU, “So if somebody wanted to look at an attribute that wasn’t already in the infostructure, we would have to write a code to access it or the business user would have to download the information they needed into an Access database,” Eick says.

“It could take a couple of weeks





before we could see the data that could guide us in making better informed business decisions.”

Jo-Ann Stores also ran up against limitations with the front-end tool. “The users did not like the look and feel around the information, so they did not use it very often,” Eick says.

Jo-Ann Stores researched several different vendors before choosing Information Builders’ WebFOCUS solution. “The way the information flowed from the drop down list into the right rows and columns was easy to use,” Eick says. “The output format was easy to put together. We also saw where we could use WebFOCUS as the front end for all our other databases, such as Oracle and IBM’s Informix.”

That flexibility meant that WebFOCUS could be used by all the key members of Jo-Ann’s management team. “Our business executives don’t want to see reports just displayed in Excel,” Eick says. “They want to see reports in a PDF and on a dashboard that can show just the data that is an exception to the norm. So instead of seeing 500 items, our executives can see the top 20 best-performing and the top 20 worst-performing categories or items and make decisions from that.”

Jo-Ann Stores management always knew what information it wanted, but they were backlogged in getting that information. The data was “very complex,” says Kevin Quinn, Information Builders’ vice president of business intelligence product marketing. “To get the information they wanted, they had to go to IT. IT had to program the information request, and that created delays that prevented their margins from being where they needed to be.”


#### **Minutes, not weeks**

Now, using report templates created in WebFOCUS, Jo-Ann’s top executives, inventory managers and merchandisers are able to write queries that let them look at mission-critical data in minutes rather than weeks.

The report templates allow end users to compare tens of thousands of items in any format they’d like. Once the report templates are created, “all the user has to do is select what they want to measure and what they want to compare it to,” Quinn says. “They can even automate when they want to receive a report.”

The executives also choose the level of information they want to receive. “They may not want to see daily sales information at the category level, but at the shop level,” Eick says. “So each day, top management can see daily sales, gross margins at the shop level. It gives us a day-by-day picture of how each of those shops is doing.”

By the middle of 2007, some of the end users of business information at the merchandise and inventory management levels will be able to write their own queries and/or run predetermined key reports without help from the IT department. They’ll be able to quickly run the types of reports they feel they individually need to make good strategic decisions.

“Now we are more and more able to spot a selling trend before it becomes a problem,” Eick says. 

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