



## Retailers use connected insight to build customer-driven, proactive business processes

Connected Experiences for Retail  
with Microsoft Dynamics

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## MANAGING CHANGE REQUIRES INSIGHT

The retail environment is constantly evolving. Consumer tastes change, reducing the profitability window for products in stock and shrinking allowable time-to-market for new lines. Online sales growth rates exceed older channels, causing retailers to focus more on their e-commerce sites. New markets emerge, established market sales slow. New suppliers offer chances to reduce cost of goods sold or ensure product availability. Growing social and environmental concerns influence consumers' product choices. New competitors and new regulatory requirements squeeze profit margins. Population shifts mean that new stores must be opened, and their performance must be measured against existing stores. Faster inventory turnover requires more, and more cost-effective, marketing campaigns, which require faster, more accurate price-point analyses, merchandising, assortment planning, and so forth. Everywhere you look, solutions that worked yesterday may be broken today. Managing change requires insight into all aspects of the business. The more factors that change, and the faster change occurs, the more essential insight becomes.

Information technology is indispensable in gaining insight, but technology itself changes. More robust applications hit the market. Computing hardware grows smaller, more powerful, and more mobile. New approaches such as "cloud" computing emerge. User-friendliness improves. And the long-term total cost of ownership (TCO) continues to trend downward. Technology solutions that were state-of-the-art yesterday, and perhaps adequate today, almost certainly will be problematic tomorrow, making it more difficult to gain essential insight into your business. A major reason for this is the end-to-end "connectedness" of your business processes and operations. Over time, it will become more and more difficult to manage the interconnected elements of your company using a set of point solutions that are cobbled together with proprietary interfaces.

## CONNECTED INSIGHT

Business processes form the backbone of any retailer. Connected insight is all about creating an end-to-end view of your company that uncovers insights to help your people continuously adapt these processes to perform smoothly in changing conditions. Examples include:

Role	Sample Information	Potential Benefit
Store manager	<ul style="list-style-type: none"><li>• Store-level and company-wide product availability</li><li>• Store-to-store and sales person performance comparisons</li><li>• Campaign status and effectiveness</li><li>• Analysis of clearance sale terms and timing</li></ul>	<ul style="list-style-type: none"><li>• Fewer missed sales</li><li>• Improved store performance; employee coaching/training</li><li>• Improved planning/execution</li><li>• Inventory/revenue optimization</li></ul>
Shipping/receiving manager	<ul style="list-style-type: none"><li>• Incoming order status</li><li>• Order processing monitoring</li><li>• Delivery and availability status</li></ul>	<ul style="list-style-type: none"><li>• Improved supply chain management</li><li>• Improved efficiency</li><li>• Improved customer satisfaction</li></ul>
Credit manager	<ul style="list-style-type: none"><li>• Outstanding balances</li><li>• Payment history</li><li>• Credit limits</li></ul>	<ul style="list-style-type: none"><li>• Incremental revenue potential properly balanced against uncollectible debt risks</li></ul>
Inventory manager	<ul style="list-style-type: none"><li>• Optimal order quantity and frequency</li><li>• Inventory by location</li></ul>	<ul style="list-style-type: none"><li>• Warehouse/inventory optimization</li><li>• Stock-out opportunity cost and cost of unsold inventory properly balanced</li></ul>

Consider these attributes as you rate your company on connected insight, and identify steps to take to improve the situation.

- **Integrated.** You achieve connected insight when your financial, supply chain, and customer relationship management (CRM) processes work together to produce perspectives on your store, Web, and call center operations that are not revealed by any one system alone. These new perspectives must be available in customizable, role-based views promptly—even real-time as appropriate. Solutions that are difficult and costly to integrate, or that deliver information on a set schedule in pre-formatted reports rather than on demand in user-defined views, are barriers to connected insight.
- **Flexible.** Changing market conditions and technology requirements can disrupt connected insight. Software applications that drive financial, supply chain, and CRM processes must be extensible; adaptable; easy to deploy, use, and maintain; upgradeable; and compatible with other newly-installed applications. Solutions that miss these criteria put at risk the continuous flow of connected insight.
- **Customer-driven.** Connected insight flows from a consolidated, comprehensive view of the company. This view makes it possible to quickly fine-tune each business process and operation from the perspective of cost-effectively delivering the best possible overall customer experience.
- **Proactive.** Becoming more customer-driven is all about carefully analyzing completed marketing campaigns and other retailing processes, and then using the insights gained to streamline operations and design more effective future campaigns. Proactive, continuous improvement offers attractive opportunities to reduce operating costs, and it stems from connected insight.

## GETTING STARTED

Investing in technology to gain connected insight is a wise move. Insight helps you reduce time to market; improve customer service levels; minimize unsold inventory or inventory sold at discount; quickly spot under-performing products, stores, or sales associates, and take appropriate action; manage suppliers to ensure product availability and low cost of goods sold; improve marketing campaign effectiveness; and more. Such benefits help you improve the bottom line and deliver the connected experience that today's shoppers demand.

Microsoft Dynamics® offers the retail community a comprehensive, flexible, fully integrated set of business software solutions that help you compete effectively today, adapt to changing conditions, and capitalize on tomorrow's opportunities—at an attractive TCO. How?

- Microsoft Dynamics solutions are familiar. They work like and with Microsoft® Office, Microsoft SQL Server®, Microsoft Office SharePoint® Server, and other Microsoft products that your employees, customers and suppliers already know and use. This helps simplify development, deployment, and training.
- Microsoft Dynamics solutions are comprehensive, and they work together. They help you create an end-to-end view of your total business and continuously fine-tune your business processes.
- Microsoft Dynamics solutions are supported by a robust partner ecosystem, so you can get help customizing or deploying your applications if you choose.
- Microsoft Dynamics solutions fit into your current technology environment, so they deliver value today. And they deliver value tomorrow by enabling you to cost-effectively integrate new, more robust applications as these become available.

To learn more about Microsoft Dynamics in Retail, please visit [www.microsoft.com/dynamics](http://www.microsoft.com/dynamics)

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