



# BACK-OFFICE TRANSFORMATION

## HOW WE DEFINE IT

Retailers are always under pressure to improve operational efficiency, reduce costs and increase productivity at the store and enterprise levels. Back-office processes can be one of the most fruitful areas to look for savings.

Our vision for Back-Office Transformation leverages advances in cloud, social and mobile technologies to streamline and transform back-office operational capabilities to help retailers manage their relationships with customers, employees and suppliers more effectively while also improving visibility into organizational performance across the enterprise.

## WHAT YOU NEED

### A strategic approach to determining which processes to consider for out-tasking

Look for processes that are critical to operations but offer little opportunity for competitive differentiation. Finance and accounting and nontrade procurement are just two of many examples in the retail sector.

### A business partner that can leverage global scale and resources to deliver reliably, securely and with quality

Broad global capacity is needed to take advantage of the best talent-to-value choices, as it state-of-the-art quality and controls including attention to the escalating importance of data security and privacy. Make sure retail's distinctive needs, such as offering HR services across a geographically dispersed population of store employees, are provided for.

### A well-developed methodology to tailor your managed services for your specific business requirements and circumstances

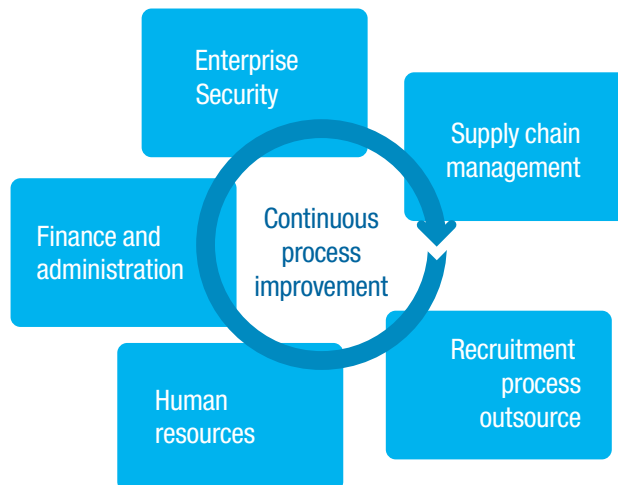
Proven methodology to institute quality control and consistency across processes, along with the ability to incorporate learnings into processes to make them more efficient and drive incremental productivity are core competencies for managed services providers.

## BUSINESS CONTEXT EXAMPLE

### Retailer processes



### Provided through managed services



### POTENTIAL BENEFITS

Reduced general and administrative costs

Improved performance management through transparency of key performance metrics and dashboards

Lower risk of data theft and unauthorized release of private customer data

Reduced operating costs

## HOW WE DELIVER IT

IBM has a wealth of practical business expertise to help retailers identify measurable growth opportunities to transform back-office processes for immediate cost savings as well as for sustained long-term performance.

Retailers typically consider managed services for operationally-critical yet competitively non-differentiating capabilities. Managed services from IBM are focused on several of these, including:

**Finance and administration:** Managed procure-to-pay services from IBM not only help organize spend management and improve visibility into spend but also drive enterprise-wide process and data standards for enhanced business insight, stronger compliance control and improved financial performance.

- IBM supports 40 languages in more than 60 countries.
- IBM manages more than USD50 billion in revenue for clients as part of our order-to-cash processes.

IBM also provides facility and real estate management software solutions that help retailers manage capital investments in stores, warehouses, distribution centers and other property.

**Supply chain management:** IBM helps increase the value of retailer spend by leveraging our substantial buying power. This is particularly advantageous to retailers looking to reduce nonmerchandise procurement costs, mitigate risk, improve compliance and directly impact financial performance.

- IBM manages annual aggregate spend in excess of USD48 billion.
- Clients typically achieve payback within 12 months, with a 5 – 10x ROI on procurement outsourcing fees.

**Human resources:** IBM integrates our experienced HR, recruiting and learning specialists with proven technology and a focus on core strategic HR and talent initiatives to create a high-quality employee and manager experience that is low in risk and strong on compliance.

Cloud-based software **and recruiting process outsourcing (RPO)** integrate people and processes, providing solutions to engage a smarter, more effective workforce across critical business functions. IBM supports 8,900 clients across a variety of industries (such as financial services, pharmaceuticals, retail and consumer packaged goods).

As we work to structure the right managed services for you, we use our process innovation specialists who are experts in Six Sigma, Lean, industrial engineering, benchmarking, advanced analytics and modeling. Using IBM's proprietary analytics-driven methodology known as EPIC (Enterprise Process Innovation Continuum), we can accelerate process innovation and drive significant business outcomes.

With more than 50 delivery centers on five continents using standardized processes, IBM can distribute work efficiently, execute consistently and transfer work between sites as required to help ensure business resiliency. All of this is backed by IBM's considerable technology investments.

## SELECTED IBM OFFERINGS

Managed services through IBM Global Process Services	Software solutions leveraged in managed services from IBM	Process improvement and implementation services	Technology platforms
<ul style="list-style-type: none"> <li>• Finance and administration</li> <li>• HR and payroll administration</li> <li>• Nonmerchandise (indirect) procurement and supply chain management</li> <li>• Recruitment</li> <li>• Global payments</li> <li>• Managed Security Services</li> </ul>	<ul style="list-style-type: none"> <li>• IBM Emptoris software for sourcing and procurement contract management</li> <li>• IBM TRIRIGA® software for store and facilities management</li> <li>• IBM Maximo® software integration assets</li> <li>• IBM Kenexa® software for recruitment</li> <li>• Many additional IBM software solutions</li> </ul>	<ul style="list-style-type: none"> <li>• IBM Finance Healthcheck</li> <li>• IBM Jumpstart for Risk, Finance, Fraud</li> <li>• IBM Application Portfolio Assessment</li> <li>• IBM Enterprise Architecture Assessment</li> <li>• IBM Enterprise Asset Management</li> <li>• IBM Smarter Workforce Accelerator</li> <li>• IBM Workforce and Talent Assessment</li> <li>• IBM Security Operations Optimization</li> <li>• IBM Security Consulting Services</li> <li>• IBM IT Security Consulting Services</li> </ul>	<ul style="list-style-type: none"> <li>• IBM POWER7+™, IBM PureFlex™ System, System x</li> <li>• IBM SmartCloud Enterprise+ (POWER, Intel), SoftLayer (Intel)</li> </ul>

More information on each of these offerings is available on the [ibm.com](http://ibm.com) website. Contact your IBM representative to arrange a briefing.

## CASE STUDIES

### VOLG KONSUMERWAREN AG

This large European food and gas station retailer uses IBM Cloud Managed Services to support electronic pricing in their stores and gas stations

- Cloud-based solution allows them to easily keep up with competitive price changes
- Improved sales margins by 15 percent while avoiding capital investment in IT infrastructure

### BON TON

This large US department-store chain uses IBM PowerLinux servers running IBM WebSphere Commerce to support significant customer growth and large seasonal e-commerce volume spikes, while also controlling the cost of software licensing – Achieved 2.5x greater throughput without increasing software licensing costs

- Bon Ton is now able to deliver a consistently rich e-commerce experience, to more customers than ever before, even during periods of peak demand

### YEALANDS

This New Zealand-based winery implemented IBM Kenexa to enhance processes around employee innovation

- Employee feedback processes as established with Kenexa increased employee engagement dramatically, and raised participation rates to 100 percent
- As a result, Yealands is now ranked among the highest-scoring organizations by its employees, in terms of valuing their input and feedback