



HobbyCraft Case Study

'The only limitation on our business reporting is our own imagination'

HobbyCraft is Europe's first and largest chain of dedicated Arts and Crafts Superstores. In a market traditionally serviced by small specialist shops, HobbyCraft is the first national retailer to cater for more than 250 different activities all under one roof.

With a small head office team of just 5 buyers, a wide range in excess of 37,000 lines (25% of which change each year) and a rapidly evolving market, the effective monitoring and management of stock is critical.

The Challenge

'HobbyCraft carries thousands of different products, so our buyers must keep their eye on the ball at all times,' explained Dominic Hooley, HobbyCraft's Buying Director. 'Some products sell extremely quickly and we need to ensure that we have enough stock in each of our stores. Other specialist lines are relatively slow moving but even so, we are determined to maintain our range authority. The big question is: 'Where do we invest our money?'

In the past, HobbyCraft relied upon its internal IT specialists to produce and run the sales and stock reports that were so critical to the on-going success of the business. In a situation too familiar to many organisations, these reports were very inflexible, were produced at set intervals and failed to deliver the precise information that the buyers needed. 'It could take several weeks before a new report was written and run, which meant that we couldn't have the information we wanted, when we wanted it and how we wanted it' continued Dominic. 'Our biggest wish was for a system which would allow our commercial users – the Buying, Marketing, Operations and Finance departments – to write their own business reports. By freeing up these key functions from their standard IT reports, we hoped to allow them to dig deeper into our business issues, growing their understanding of our challenges and making decisions as required.'

Even in the current economic climate, HobbyCraft has continued to expand. The company's latest financial results showed a year on year increase in turnover of well over 10% with a similar increase in pre-tax profits. This, combined with an aggressive expansion policy – HobbyCraft will shortly have over 40 stores throughout the UK as well as a popular and widely used on-line shop – meant that the company had to take firm control over its stock and sales positions.

The Solution

Added Dominic: 'We needed an IT partner that could design, develop and implement a business wide solution that would monitor sales patterns in each store and allow our buying, marketing and supply teams to predict patterns and trends in stock positions.'

HobbyCraft was already aware of CONTEMPORARY's expertise in this field and invited the company to evaluate the overall situation and recommend a solution. Following detailed discussions and evaluations, CONTEMPORARY proposed a group wide business intelligence solution based around SAP BusinessObjects and state-of-the-art web technologies.

The new solution is now live and has delivered immediate and measureable improvements from the very beginning. Each night, information from every HobbyCraft superstore and distribution centre is downloaded to a central data warehouse to update and consolidate the sales and stock position of every item. The solution issues alerts and

(Continued overleaf)

Quick Facts

Industry
Retail

Business Plan

To implement a group-wide stock and sales monitoring and management solution.

The Result

Up-to-the-minute access to stock and sales information for each store. Fast moving lines can be quickly identified, sales and store anomalies spotted, and budget resources allocated to improve the bottom line.

Products

SAP BusinessObjects
Web Intelligence

For additional information:
Call 0845 345 6848
email info@contemporary.co.uk
www.contemporary.co.uk

HobbyCraft Case Study

'The only limitation on our business reporting is our own imagination'



suggests action if stock levels on specific items fall below pre-determined limits and allows buyers and financial staff to obtain the precise, up-to-the-minute information that they need. 'In a single year, our new system has processed over 600 million lines of data covering more than 100,000 different items that we have sold,' explained Dominic.

Each evening, HobbyCraft's new system automatically sends a summary sales report to senior executives' mobile phones, giving a brief overview of the day's sales, a comparison with the previous day, and week-to-date figures. 'This service gives me a heads-up on the past 24 hours so that I can quickly recognise if there are any anomalies and take the necessary steps to rectify any problems before they can affect our business,' said Dominic.

The benefits and value of HobbyCraft's new system became even more apparent during the run up to Christmas. HobbyCraft introduces its Christmas stock early in October and within 2 weeks is able to identify those lines that will be popular. 'One of our buyers had written a report to analyse sales and stock over the Christmas period,' explained Dominic. 'We quickly discovered that Christmas demand for some lines far exceeded our expectations and there was a real danger that we would run short and be unable to meet customer demand.'

'Thanks to our new system we spotted this upsurge in time and arranged for additional stock to be delivered to all stores well in time for Christmas.' As a result, sales in our seasonal categories are up by over 50% on last year and our residual stocks are lower than ever.

With its Business Intelligence solution now fully implemented, HobbyCraft is already evaluating how it can be further enhanced to

deliver other business critical services. 'We are planning to introduce a store dashboard application that would provide a traffic light visual on key business parameters, such as sales, stock levels, out of stock items, average customer basket size, etc. for each store,' said Dominic.

'Our buyers are no longer chained to their computer screens and can spend far more time meeting with suppliers and evaluating new product lines. They go to meetings fully armed with accurate and reliable data and often have far more accurate information than the sellers themselves. We know what is happening in each store, what our strong lines are now, and what will sell well in the future and can adjust our stock levels accordingly.'

'Web Intelligence has become an absolutely critical tool within our business, enabling our end users to start developing their own queries and reports after only a limited training period. The only limitation on our business reporting is our own imagination.'

'From the outset, CONTEMPORARY understood our business,' concluded Dominic. 'They quickly grasped our issues, objectives and requirements and have always responded quickly and professionally to all our requests. The system ticks all of our boxes and I would have no hesitation in recommending CONTEMPORARY to any other organisation.'

About CONTEMPORARY

CONTEMPORARY is a Business Objects Platinum Partner with over 17 years product and Business Intelligence industry expertise.

If you are looking for a way to harness your data and transform it into useful, useable information, then look no further.

CONTEMPORARY has worked with a wide range of organisations throughout the UK to successfully deliver business intelligence consulting, training and products that have helped to drastically improve business performance.

For additional information:
Call 0845 345 6848
email info@contemporary.co.uk
www.contemporary.co.uk