

Canrock Solutions helps Giant Tiger accelerate ROI and bring Financial Planning to a new level



A Canadian Retail success story

The first franchised Giant Tiger store opened in Ottawa, Ontario in the 1961. Today, Giant Tiger Stores Limited is Canada's third-largest chain of discount stores and the largest Canadian-owned discount retailer, with over 200 stores and 7,000 employees. Giant Tiger is a family discount retailer offering recognizable basic products at low everyday prices. Almost all stores are franchised with the owners working in the store, serving customers from the local community and surrounding areas.

As a discount retailer in a very competitive industry, Giant Tiger's business is characterized by low prices and high-volume. This translates to a challenging business environment where the company is constantly searching for efficiencies to reduce operating costs in order to stay profitable. In addition, there is a need to maintain individual stores' operational autonomy while efficiently coordinating effort and monitoring performance.

The inefficiencies of Excel

Giant Tiger's planning process was relatively new and not meeting the needs of its complex operations. The Finance team was leveraging Microsoft Excel for its sales planning and budgeting process, and with Excel came all the usual challenges. It was difficult and slow to consolidate store based budgets and results and even more difficult to prepare meaningful analysis of the data. The fragmented and manual process was burdensome and inefficient.

In retail, it's particularly critical to plan for and closely monitor store sales as well as other key performance drivers. Benchmarking to industry standards and other stores, and performing regional analysis, is all paramount to making the right business decisions. Unfortunately, the existing Planning and Budgeting process could not properly meet these vital needs.

The company needed a modern, robust and flexible planning and performance management solution to meet their intense demands.

OVERVIEW

CUSTOMER PROFILE

- Giant Tiger is Canada's third-largest chain of discount stores and the largest Canadian-owned discount retailer
- Operates 200+ locally owned and managed stores with over 7,000 employees
- Annual sales surpass \$1 billion

KEY CHALLENGES

- Existing Excel-based planning solutions were manually intensive and required an upgrade
- Difficult to consolidate and analyze store-level data
- Data integrity issues

OBJECTIVES

- Real-time consolidation and analysis of store-level data
- Actual data integration
- Overall process optimization and automation
- Perform multiple iterations of the budget while reducing cycle time

RESULTS

- All objectives were met and exceeded – on time, within budget
- Accelerated ROI projections by 6 months
- Data and hierarchies integration with Teradata system leading to an integrated, synchronized solution
- A collaborative, low-maintenance and efficient solution with minimal burden on Finance
- Better data, better analytics
- An 85% reduction in budget cycle time
- A self-sufficient team trained and able to maintain the solution independently

First priority – fix the problem

The Giant Tiger finance and management team realized the “pains” associated with the current system and were looking for ways to alleviate it. After a thorough evaluation process, Giant Tiger chose IBM Cognos TMI as its Planning and Budgeting technology because of its flexibility and robustness as a planning solution; they were also impressed by its powerful analytics capabilities compared to competing products. With the software selected, Giant Tiger needed a strong partner to implement a solution; realizing good software is only part of the equation. Canrock Solutions’ strong expertise in Financial Planning and Performance Management was recognized by IBM and Giant Tiger, and Canrock Solutions was requested to implement TMI.

The initial project scope was to transfer the Excel-based planning and budget models into TMI, and to keep the solution fairly centralized initially. Giant Tiger wanted to alleviate the key planning challenges by achieving the following objectives:

- ▶ Automated actuals integration
- ▶ Real-time consolidation and analysis of store-level data
- ▶ Overall process optimization and automation
- ▶ Ability to perform multiple iterations of the budget while reducing cycle time

Exceeding Expectations

Canrock Solutions guided Giant Tiger far and beyond the set of objectives for Phase 1 of the implementation. Not only was the solution delivered on time and on budget, but Canrock also delivered a solution that fully integrated with its Teradata warehouse, despite the fact that it was still under development. TMI was configured to seamlessly synchronize dimensions to this operational source resulting in a much more integrated and efficient solution. The increased level of integration also led to a reduction in overall maintenance, allowing business users to focus time on value-added activities like data and variance analysis instead of manual labour: “Now that we have the real-time data, we are finding that the resulting analysis is saving review time for supervisors, but also is revealing many new insights. This is exactly what we’d hoped for in the beginning” observed Jane Foster, Manager of Planning, Budgeting and Analysis for Giant Tiger Stores.

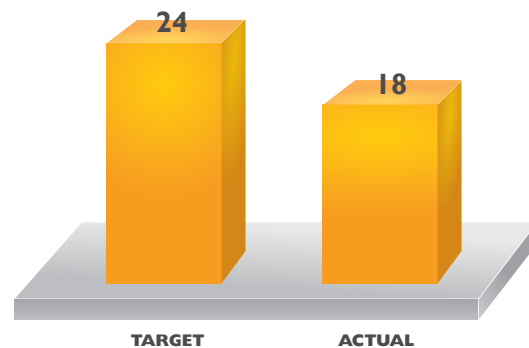
What is characteristic of every Canrock solution is the overall comprehensive approach to implementation, rather than just focusing on the main objectives alone. Strong emphasis was placed on ensuring that the solution was supported by robust system architecture and a comprehensive security model. Giant Tiger’s team was always presented with design alternatives and involved in making all of the important design decisions. “We received excellent support in the areas of system architecture, development and knowledge transfer,” comments Jane Foster. “I can confidently recommend Canrock as solid, reliable experts in their field.”

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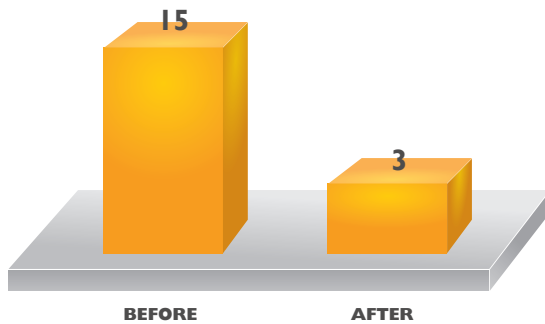
The resounding success of Phase 1 led to an expansion of the solution to all stores in Phase 2. By deploying the system out to the stores, Giant Tiger was able to extend the benefits to a much larger user group – and this translated to a reduced workload for more than 220 users and a much faster Return on Investment (ROI). “Before we purchased TMI, we estimated that the project would have a ROI of roughly 24 months. Canrock Solutions built the solution so well that not only did we finish on time and ahead of budget, but we had no support costs upon rollout. The end-user response was beyond our expectations and the overall time savings translated to reducing ROI by 6 months. We could not have done this without Canrock’s expertise and support”. (Table 1)

Table 1: Return on Investment (Months)



In addition, the more efficient, user-friendly web-based interface increased overall collaboration and accountability amongst planning participants, while further reducing the burden on key finance resources. The quarterly budgeting process had become highly collaborative and automated process that can be completed in about 3 days— an 85% percent improvement on the previous lead time of 3 weeks. (Table 2)

Table 2: Budget Cycle (days)



“Canrock’s work on these two projects was a major factor in ensuring the success of our deployment – now and for the future. They were flexible to our unique needs and understood the necessary success factors for our industry. Their advice led to a fast release of our solution, and therefore increased the ROI of the project” says Jane Foster. Overall, Giant Tiger now has a Planning and Performance Management solution that far exceeds its initial objectives. Foster concludes: “At all levels, IBM Cognos TM1 is helping us understand our business better”, and Canrock Solutions was able to get them there.

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ABOUT CANROCK

Expertise. Innovation. Quality.

These are the three guiding principles of Canrock Solutions, a leading Planning and Performance Management services provider. We leverage IBM Cognos TM1 and Business Analytics technology and many years of expertise to deliver Reporting, Budgeting, and Forecasting solutions that simply work.

CONTACT CANROCK

Learn more about how Canrock Solutions can help your company succeed with its Planning and Performance Management initiatives, visit www.canrocksolutions.com or contact us at info@canrocksolutions.com.



The Planning and Performance Management Experts

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