

RETAIL STORE DEVELOPMENT



**AN IBM COGNOS
PLANNING BLUEPRINT
APPLICATION BRIEF**

**A WEB BASED PERFORMANCE
MANAGEMENT APPLICATION**



Visualize » Analyze » Realize

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INTRODUCTION

Retailers continuously undertake store development projects that require capital investments and expenditures to support company-wide business objectives, including:

- Building new stores.
- Remodeling older stores to new format types and/or refurbishing selected stores damaged by fires, storms, etc.
- Implementing company-wide initiatives such as adding home theater preview centers, upgrading fixtures to accommodate new product lines, adding new equipment to support products or menu items.

Chains have many investment options, and need the capability to quantify and analyze the financial and operational impact of store development to determine which ones deliver the highest business benefits, best returns, and greatest support for corporate objectives. Once initiatives are determined, chains must be able to reforecast plans as situations change, measure financial performance for multiple initiatives, and communicate status of initiatives to stakeholders in finance, store development, and the appropriate level(s) of store operations hierarchy.

This application brief demonstrates best practices for managing store development project expenditures using IBM Cognos 8 Planning. Implementing this *IBM Cognos Performance Blueprint* will enable forward-looking visibility into expense and investment return decisions company-wide. The models and processes described in this document represent best practices used by leading North American chains, but can be tailored to support alternative model requirements and to accommodate store development planning in any country.



MODEL OVERVIEW

Expenses associated with a labor- or capital-intensive initiative or project can form a large part of a company's expense and capital expenditure base. The *IBM Cognos Store Development Planning Blueprint* allows project managers to plan from a financial perspective by selecting resources required, determining other project expenses, and forecasting capital expenditures. It also allows managers to model and forecast returns for projects, based upon acceptable internal risk standards.

For example, a project manager in charge of a store upgrade program can select resources from a drop-down list by function, by resource type (for determining the cost and time spent on the project), and by time period. The *Blueprint* calculates the cost of these resources over the appropriate timeframe. The project manager also determines other project costs, which are allocated based on headcount profile. Capital expenditures associated with the project can also be input. These in turn feed the *IBM Cognos Capital Project Planning Blueprint* in order to determine depreciation and cash impact. Non-capital expenses such as rentals feed the *IBM Cognos Expense Planning and Control Blueprint*.

The *IBM Cognos Store Development Planning Blueprint* allows for the inclusion of financial benefits like revenue generation or expense reduction along with the month in which the project is implemented. The *Blueprint* calculates the project's Net Present Value and Payback Period. Approved projects feed the *IBM Cognos Store (P&L) Operations Planning Blueprint*, giving regional and store managers visibility into initiatives that affect their stores, so that they can reforecast to accommodate operational impacts.

The *IBM Cognos Store Development Planning Blueprint* requires very little input from planners, yet returns a great deal of information.

BLUEPRINT OBJECTIVES

The *IBM Cognos Store Development Planning Blueprint* is designed to help retailers to model, plan, reforecast, communicate, and measure the financial impact of store development initiatives, including new store construction, remodels/refurbishments, and upgrades such as adding a home theater viewing area to promote plasma TVs or new beverage centers to build traffic and attract new customers.

The *IBM Cognos Store Development Planning Blueprint* achieves the following planning objectives:

- Definition of store development initiatives.
- Financial planning for store development initiatives.
- Automatic application of initiatives to regions, stores, or groups of stores based on their attributes.
- Allocation of revenue impact to stores by week or based on a comparative percentage of prior year revenue.
- Management of resources by assigning them to projects.
- Allocation of expenses and capital expenditure to projects.
- *What-if* modeling allows managers to analyze financial and capital investment impact of initiatives, and to model financial impact of store development initiatives for multiple scenarios to determine Payback Period and Net Present Value.
- Enabling executives to answer questions like: “Should the chain remodel all stores in Region 1 or add in-store beverage centers in ten of the highest volume stores?”
- Integrated workflow:
 - o Offers ability to manage and immediately consolidate plans.
 - o Provides a visual scorecard, so planning process status can be easily facilitated and assessed.
 - o Communicates approved plans to stakeholders, so they are aware of initiatives impacting store operations.
- Calculated metrics summarization and linkage to scorecards and reports to measure impact of initiatives, including revenue and expenses by store, region, initiative, and initiative type.
- Integration to *IBM Cognos Store (P&L) Operations Planning Blueprint* provides the ability to alert appropriate store operations (region, district, or store managers) personnel of approved development initiatives, enterprise-wide initiatives, and financial impact. It also gives managers visibility to initiatives and prompts them to quickly update operational plans to support corporate initiatives.

KEY IBM COGNOS PLANNING BENEFITS

- Flexible model development to support a wide variety of planning models.
- Web-based or Excel-based deployment of models for data collection and consolidation.
- Easy version control.
- Real-time workflow to drive collaboration.
- Real-time consolidation.
- Real-time reporting.
- Real-time calculations in the browser for immediate results.
- Audit and user text annotations at the cell, worksheet, and model level to drive collaboration.
- Drop-down validation lists to ensure data consistency.
- Scalable architecture with proven deployments to thousands of users.
- Linking functionality to provide divergent, yet interrelated components of planning environment.
- Off-line capabilities.
- Custom date capabilities with no limit on time dimensions for planning by the week, season, period, quarter, or year.
- Unique multi-directional calculation engine allows input across any dimension at the detail level or the total level.
- Support for SAP, Oracle, and other ERP systems.

REPRESENTATIVE WORKFLOW

The following sections of this application brief describe the basic workflows in which a store development analyst or manager might:

- Analyze operational performance to determine store development initiatives that would improve sales, profits, or customer satisfaction.
- Participate in the process of planning store development initiatives.
- Measure costs, return-on-investment, and impact of store development initiatives after they are implemented.

ANALYZE OPERATIONAL PERFORMANCE

Dashboards, scorecards, alerts, reports, and analysis are an integral part of measuring performance against plans – both day-to-day operations and long-range business objectives. Business intelligence used to understand the impact of store development initiatives may:

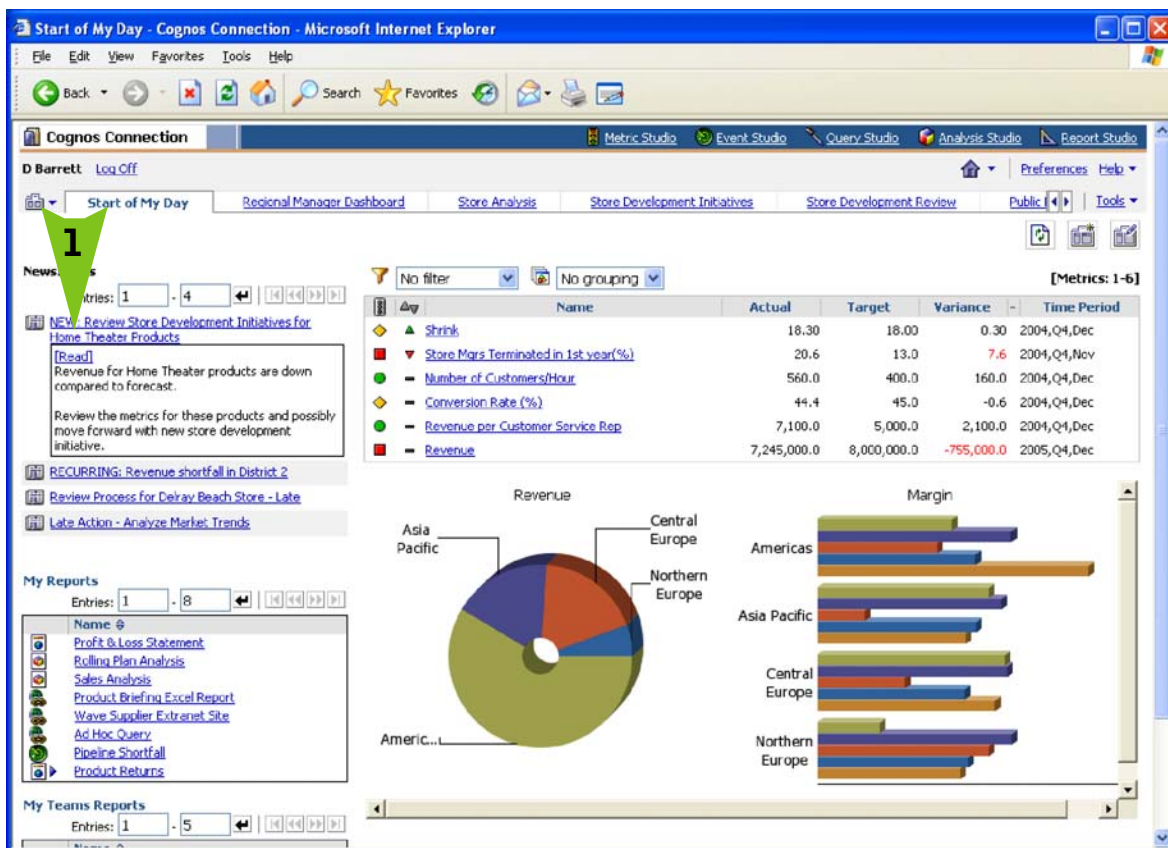
- Identify areas where initiatives can improve operations.
- Measure project capital costs and expenses against budget.
- Determine return-on-investment goals.
- Identify new trends.
- Understand overall contribution to improving operations.

This application brief features basic workflows that a financial manager or business analyst might follow to understand performance and identify store development initiatives that might positively impact top and bottom lines. JCB Partners, a Cognos Platinum Partner and Services Partner of the Year in 2005, developed the dashboards, scorecards, alerts, reports, and analysis featured in this application brief.

An information portal delivers a *Start of My Day* dashboard which offers retail managers significant intelligence:

1. In the upper right, a metrics summary of key indicators with highlights and trend indicators.
2. Below that is a chart indicating revenue by area and a comparison to margin.
3. Areas on the bottom and middle left show reports that are of key importance to myself and my team.
4. In the upper right are alerts that monitor events within my sphere of influence and contain links to pertinent portals and reports to take action on them.

Alerts deliver critical performance information, raise real-time visibility to key metrics, and allow managers to drill down to the details behind events so decisions can be made quickly.

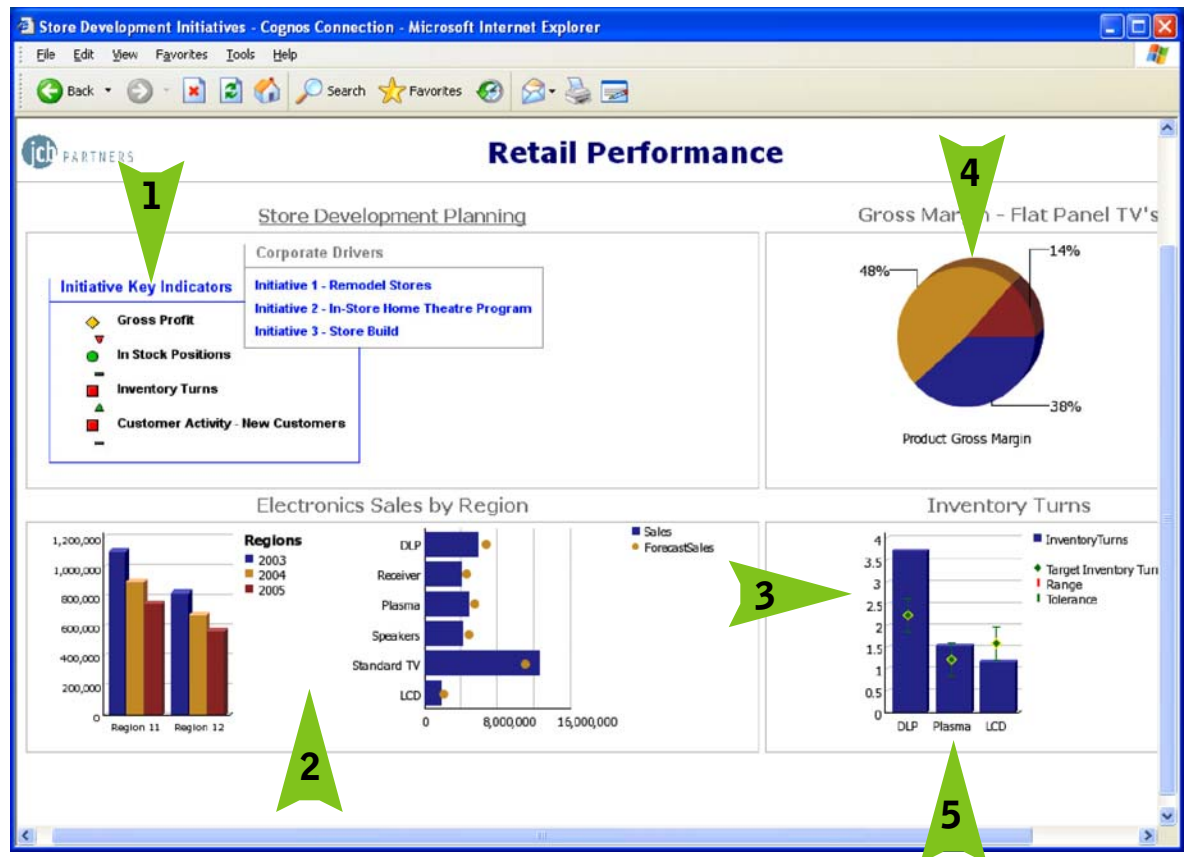


A Retail Performance dashboard provides more detailed information about store-level initiatives and their effect on product revenue and inventory. The upper left (1) shows some indicators of overall organizational health, including under-performance for Gross Profit, Inventory Turns, and Customer Activity.

The bottom left (2) presents a drillable chart for Electronics Department sales, which is trending downward, and revenue targets in all product categories except Standard TV are not being met.

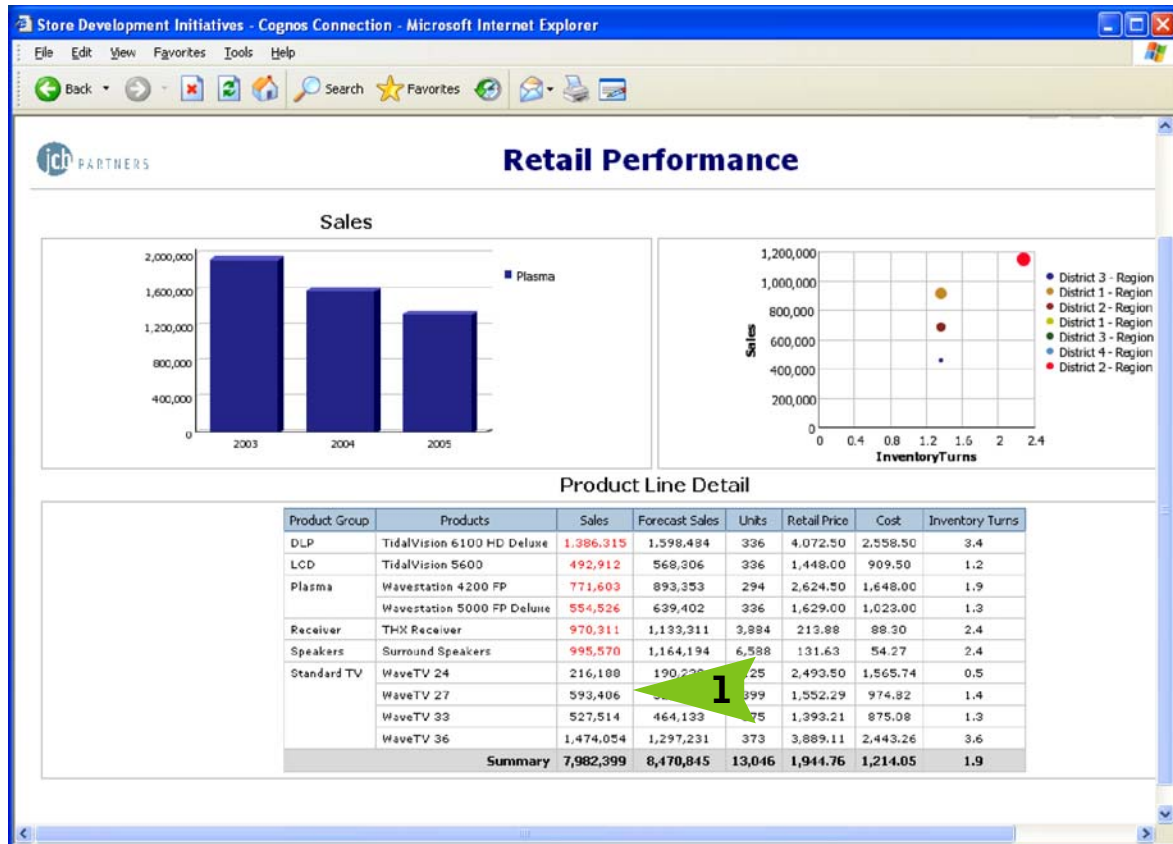
The bottom right (3) shows Inventory Turn targets are not performing positively.

The upper right (4) reveals the best-performing product category in Gross Margin is the Plasma TV category.

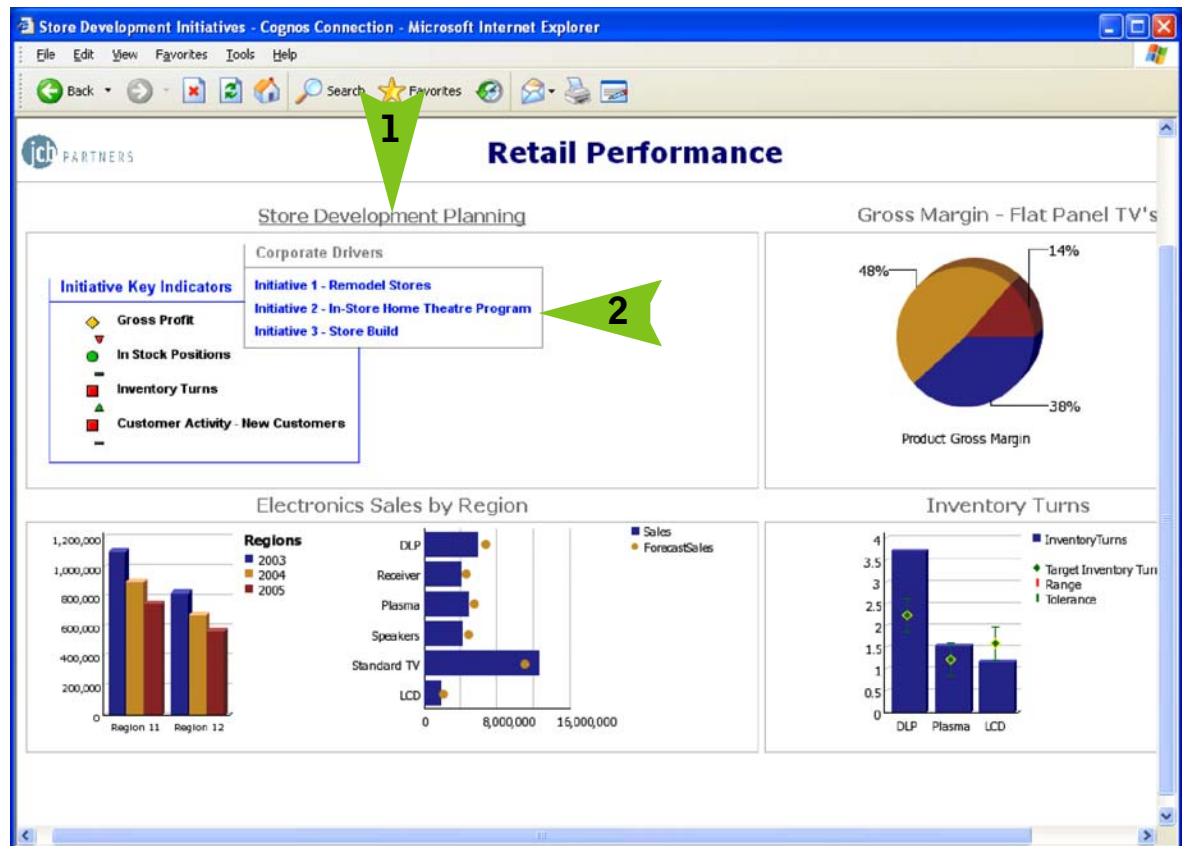


By drilling-down (5), more details on the Plasma TV turns can be accessed and understood.

Product Line Detail (1) compares forecasts to actual sales, identifies products that did not perform as forecast (in Red), and specifically identifies poor performance of Plasma TV products, a high Gross Margin category.



A Store Development Initiative (1), *In-Store Home Theater Program* (2), is designed to increase revenue for high-margin Plasma TVs. The *IBM Cognos Store Development Planning Blueprint* allows managers to plan new stores, upgrades, and remodels for an individual store or groups of stores.



REAL-TIME WORKFLOW VISIBILITY

As business analysts or project managers make changes to the store development plans, higher level managers have real-time visibility to the workflow status of company-wide initiatives.

In this example, Total Store Upgrades is the parent for the initiatives “Add Home Theater Preview Center,” “Add Personal Shopper Kiosk,” “Add Day Care Center to Selected Stores,” and “Add Beverage Center to Selected Stores.” The owner of Total Store Upgrades, also known as “reviewer,” can see the workflow status of each initiative. All workflow status changes, data consolidations, and aggregations occur in real-time, without a batch process. This drives down the time required to perform the planning iteration.

Contributions

- Reviews
 - Total Stores Development Initiatives
 - Store Renovation
 - Natural Disaster Re-Build
 - Re-Facing Store Entrance
 - Total Store Upgrades
 - Add Home Theater Preview Center
 - Add Personal Shopper Kiosk
 - Add Day Care Center to Selected
 - Add Beverage Center to Selected
 - Total New Stores
 - New Store 1
 - New Store 2
 - New Store 3
 - Store Renovation

You are a reviewer for:

Name	State	Ownership	Reviewer	Last Data Change
Total Store Upgrades	Incomplete	Email All	Email All	12:26:30 AM - Sunday, May 07, 2006

Which is made up of:

Name	State	Ownership	Reviewer	Last Data Change
Total Store Upgrades (All)		Email All		
Add Home Theater Preview Center	Work In Progress	D Barrett	Email All	12:26:30 AM - Sunday, May 07, 2006
Add Personal Shopper Kiosk	Not Started	D Barrett	Email All	12:26:07 AM - Sunday, May 07, 2006
Add Day Care Center to Selected Stores	Work In Progress	D Barrett	Email All	12:25:49 AM - Sunday, May 07, 2006
Add Beverage Center to Selected	Work In	D	Email	12:25:32 AM - Sunday, May 07, 2006

User Instructions

This is the Store Development Blueprint:

Retailers are continuously undertaking store development projects that require capital investments to support company-wide business objectives, including:

- building new stores
- remodeling older stores to new format types and/or refurbishing selected stores that may have been sustained damage from fires, storms, etc
- implementing new company-wide upgrade initiatives such as adding a new Beverage Center, upgraded fixtures to accommodate new product lines, new equipment to support products or menu items

The Store Development Blueprint is targeted at retail financial and operational decision-makers. It supports Cognos' focus on store operations as the primary point of entry for the retail go-to-market strategy and compliments the first retail-specific blueprint, Store (P&L) Operations Planning.

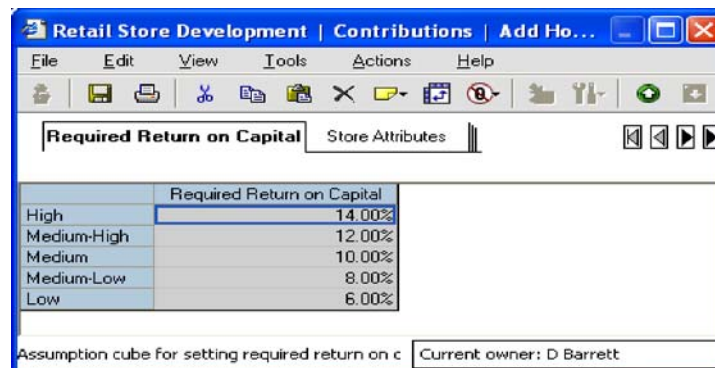
Help is located throughout the application.

Welcome to the Store Development Blueprint

Before data is entered, the state of the plan is designated as **Not started**. Once a plan is saved, the state becomes **Work in progress** and remains accessible for further editing. When an item is submitted, the plan is **Locked** and no more changes can be made. The locked state indicates that the plan is ready for review. A reviewer can review the plan in any state, but can only reject a locked plan item. When a locked plan is rejected, it returns to a work-in-progress state, making it editable once again by the store manager.

REQUIRED RETURN ON CAPITAL

Controlled by the system administrator, this tab allows the project manager to review the corporate return on capital requirements.



	Required Return on Capital
High	14.00%
Medium-High	12.00%
Medium	10.00%
Medium-Low	8.00%
Low	6.00%

Assumption cube for setting required return on c Current owner: D Barrett

Best practice is to require a higher return as project risk increases.

RESOURCE COST

In this tab, the project manager can review fully loaded resource costs that can be assigned to a given project. The tab covers both internal and external resources for high, medium, and low costs through 2010.

Retail Store Development Contributions Add Home Theater Preview Center - Cognos Planning - Contributor							
File Edit View Tools Actions Help							
Required Return on Capital Store Attributes Project Definition Store Selection Resource Cost Headcount Requirements							
Bdgt High Internal	Fully Loaded Cost	2006					
	Permanent - Full Time	Permanent - Part Time	Graduate	Offshore	Consultant	Contractor	Temporary
Business Development Manager	162,500	139,583	116,667	93,750			130,769
Real Estate Development Manager	125,000	108,333	91,667	75,000			101,923
Director Real Estate Development	137,500	118,750	100,000	81,250			111,538
Store Construction Project Manager	137,500	118,750	100,000	81,250			111,538
Director Store Planning and Construction	137,500	118,750	100,000	81,250			111,538
Cost Analyst - Store Development	150,000	129,167	108,333	87,500			121,154
Electrician	137,500	118,750	100,000	81,250			111,538
Mechanical Technician	162,500	139,583	116,667	93,750			130,769
Carpenter	137,500	118,750	100,000	81,250			111,538
Day Laborer	20,000	20,000				20,000	20,000
Field Service Technician	150,000	129,167	108,333	87,500			121,154
Technician Manager	162,500	139,583	116,667	93,750			130,769
Project Manager	175,000	150,000	125,000	100,000			140,385
Senior Project Manager	162,500	139,583	116,667	93,750			130,769
Construction Manager	137,500	118,750	100,000	81,250			111,538
District Manager	150,000	129,167	108,333	87,500			121,154
Regional Manager	137,500	118,750	100,000	81,250			111,538
Administrative Assistant	100,000	87,500	75,000	62,500			82,692
Business Analyst	150,000	129,167	108,333	87,500			121,154
Financial Analyst	150,000	129,167	108,333	87,500			121,154
Accounting Manager	137,500	118,750	100,000	81,250			111,538
Computer Support Technician	112,500	97,917	83,333	68,750			92,308
Database Administrator	150,000	129,167	108,333	87,500			121,154
IT Director	175,000	150,000	125,000	100,000			140,385
IT Manager	162,500	139,583	116,667	93,750			130,769
IT Product Manager	162,500	139,583	116,667	93,750			130,769
IT Project Manager	150,000	129,167	108,333	87,500			121,154
IT Risk Manager	150,000	129,167	108,333	87,500			121,154

Corporate assumptions on fully loaded human resource costs.

Current owner: D Barrett

Controlled by the system administrator, resource costs are displayed as read-only information to the project manager.

PROJECT DEFINITION

This tab is the starting point for project definition. From this tab, the project manager is able to select the subset of stores to which the initiative would be applied. The project manager is able to define and revise key project parameters such as start- and end-milestones, project delays, risk levels, linkage to corporate strategy, and financial goals. Furthermore, the project manager has the ability to enter areas of impact for this initiative.

Retail Store Development Contributions Add Home Theater Preview C...		
File Edit View Tools Actions Help		
Store Attributes Project Definition Store Selection Resource Cost		
Add Home Theater Preview		
PROJECT OVERVIEW	Original	Revised
Project Description	Add Home Theater Center	Add Home Theater Center
Apply to Store Type	City Center	City Center
Apply to Store Format		
Apply to District or		
Apply to Region		
District or Region Error		
Number of Stores Affected	7	7
Project Start Week-Year	Week 10 - 2006	Week 10 - 2006
Project Duration per Store in Weeks	4 weeks	4 weeks
Project End Week-Year	Week 38 - 2006	Week 38 - 2006
(Advance)/Delay in Weeks		4
New Project Start Week-Year		Week 14 - 2006
New Project End Week-Year		Week 42 - 2006
Risk	Medium	Medium
Required Return on Capital	10.00%	10.00%
Priority	High	High
Strategy Map	Grow Sales	Grow Sales
PROJECT IMPACT		
Store Department Affected	Electronics	Electronics
Enter Cost Estimate per Sq Foot	20.00	20.00
Enter Square Footage	60,000	60,000
Total Sq Footage Cost Estimate	1,200,000	1,200,000
Enter Projected Comp Revenue Impact % or	3.00%	3.00%
Enter Base Weekly Revenue Impact per Store		
Total Weekly Revenue Impact	36,085	36,085
Enter Base Weekly Expense Impact per Store	3,600	3,600
Total Weekly Expense Impact	25,200	25,200
Impact Start Week-Year	Week 40 - 2006	Week 40 - 2006
New Impact Start Week-Year		Week 44 - 2006
Annual Growth	8.00%	8.00%
Enter the definition of the project and select the types of stores to apply th		
Current owner: D Barrett		

The project manager can easily enter the following data elements or make selections from drop-down boxes to start the project.

- Project description.
- Stores affected by this initiative.
- Project start week.
- Project duration per store.
- Project end week.
- Risk.
- Priority.
- Strategy map: Addresses the question, “Where does the project fit within company strategy?”
- Department within the store this initiative primarily affects.
- Estimates of costs based on square footage.
- Revenue impact of ongoing operations based on a comp % or based on a weekly revenue impact per store.
- Base weekly expense impact, which is the ongoing impact of increased or decreased costs (enter a negative amount) based on the completion of the project.
- Delay: Allows project manager to advance or delay project (all inputs in the application will be changed accordingly) and see the impact of that advance or delay.

STORE SELECTION

The *Store Selection* tab allows the project manager to review the stores that were automatically selected, based on the selections from the *Project Definition* tab. It enables managers to select from a drop-down menu if they would like to override the automatic selections.

Retail Store Development | Contributions | Add Home Theater Preview Center - Cognos Planning - Contributor

File Edit View Tools Actions Help

Store Attributes Project Definition **Store Selection** Resource Cost Headcount Requirements Expenditures Project Expense Summary Project Summary

Original Add Home Theater Preview C

	Wellington	Boynton Beach	Palm Beach Gardens	Delray Beach	Boca Raton	Pompano Beach	Fort Lauderdale
Store Type	Mall	City Center	Mall	City Center	Mall	City Center	
Store Format	A	B	C	B	A	D	
District	District 1 - Region 11	District 1 - Region 11	District 1 - Region 11	District 2 - Region 11	District 2 - Region 11	District 2 - Region 11	District 3 -
Region	Region 11	Region 11	Region 11	Region 11	Region 11	Region 11	
Floorspace	18,000	14,000	19,000	16,500	12,900	18,600	
PY Revenue	\$9,498,879	\$10,079,241	\$10,410,643	\$9,029,352	\$8,940,542	\$8,695,024	
Store Type Selected from Project Definition							
Store Format Selected from Project Definition							
Store District Selected from Project Definition							
Store Region Selected from Project Definition							
Store Selected from Project Definition							
Override Automatic Selection		Yes	Yes	Yes		Yes	
Store Selected		Yes	Yes	Yes		Yes	
Count Stores Affected		1	1	1		1	
PY Revenue for Selected Stores		\$10,079,241	\$10,410,643	\$9,029,352		\$8,695,024	

Automatic selection of the stores to apply the initiative with allowance for overrides.

Current owner: D Barrett

HEADCOUNT REQUIREMENTS

The project manager enters from the dropdown selections Role, whether this is a Per Store or Project Overhead headcount requirement, Resource Type, Status, FTE, and Start Week. The project manager enters the Duration per Store in Days and the application calculates the End Week based on that duration and the number of stores affected. The project manager can also enter Task as freeform text.

From this information, the application assigns the FTE allocation to the appropriate weeks. Warnings are issued if the Start Week or End Week is not within the project time frame set in the *Project Definition* tab.

	Role	Task	Per Store or Project Overhead	Resource Type	Status	FTE	Start Week-Yr	Duration per Store in Days	End Week-Yr
1	Business Analyst		Project Overhead	Bdgt High Internal	Permanent - Full Time	1.00	Week 18 - 2006	5	Week 19 - 2006
2	Senior Project Manager		Project Overhead	Bdgt High Internal	Permanent - Full Time	1.00	Week 18 - 2006	7	Week 19 - 2006
3	Project Manager		Per Store	Bdgt High Internal	Permanent - Full Time	1.00	Week 18 - 2006	2	Week 20 - 2006
4	Electrician		Per Store	Bdgt High External	Permanent - Part Time	2.00	Week 19 - 2006	9	Week 28 - 2006
5	Technician Manager	Manage Project	Per Store	Bdgt High Internal	Permanent - Full Time	1.00	Week 16 - 2006	2	Week 18 - 2006
6	Carpenter	Install Walls	Per Store	Bdgt Med Internal	Permanent - Full Time	2.00	Week 16 - 2006	4	Week 20 - 2006
7									

Enter the headcount required for the project. Current owner: D Barrett

EXPENDITURES

This tab allows the project manager to enter Capital Investments or Project Expenses. The project manager defines the Expenditure Description, Expense Type, Item Amount, and whether the expenditure is on a project- or per-store basis. The project manager selects from a drop-down menu for the Purchase Week and the In-Service Week. Real-time warnings are issued if the Purchase Week or In-Service Week exceeds the project time frame set within the *Project Definition* tab. The effect of the Delay entered on the *Project Overview* tab can be viewed (not shown).

Retail Store Development | Contributions | Add Home Theater Preview Center - Cognos Planning - Contributor

File Edit View Tools Actions Help

Store Attributes Project Definition Store Selection Resource Cost Headcount Requirements **Expenditures** Project Expense Summary Project Summary

Original Add Home Theater Preview

	Description	Expense Type	Item Amount	Store or Project Overhead	Total Amount	Purchase Week-Year	In Service Week	Warning
1	Prep Work	Architecture and Design	7,000	Project Overhead	7,000	Week 18 - 2006	Week 20 - 2006	
2	In Store	Store Construction	50,000	Per Store	350,000	Week 19 - 2006	Week 20 - 2006	
3	AV Equip	Furniture, Fixtures & Equipment - 05 Years	75,000	Per Store	525,000	Week 30 - 2007	Week 20 - 2006	Purchase Week After Project End
4	Couches	Furniture, Fixtures & Equipment - 05 Years	7,000	Per Store	49,000	Week 13 - 2006	Week 20 - 2006	
5								
6								
7								
8								
9								
10								

Enter Capital Investment information, selecting from the asset class.

Current owner: D Barrett

PROJECT EXPENSE SUMMARY

This tab summarizes the financial impact of the data entered. Labor is consolidated from the *Headcount Requirements* tab. Project Expenses and Capital Expenditures are aggregated based on the expenditure type entered in the *Expenditure* tab. The application does all the work to determine whether the expenditure is an expense or a capital investment.

Retail Store Development Contributions Add Home Theater Preview Center - Cognos Planning - Contributor													
File Edit View Tools Actions Help													
Store Attributes Project Definition Store Selection Resource Cost Headcount Requirements Expenditures Project Expense Summary Project Summary													
Original	Plan	Add Home Theater Preview C											
	MAR 06	APR 06	MAY 06	JUN 06	JUL 06	AUG 06	SEP 06	OCT 06	NOV 06	DEC 06	2006	JAN 07	FEB 07
Contractor													
Temporary													
Total Labor Costs		28,125	32,692	10,577							71,394		
Computers & Technical Equip Rental													
Office AV Studio Equip Rental													
Other Equipment Rental													
Total Equipment Rental													
Travel & Entertainment													
Professional Fees													
Telephone													
Office Supplies													
Legal													
Patents													
Other													
Total Other Project Expenses		28,125	32,692	10,577							71,394		
TOTAL PROJECT EXPENSES		28,125	32,692	10,577							71,394		
CAPITAL EXPENDITURE													
STORE CONSTRUCTION													
Site Selection													
Site Cost													
Site Prep													
Architecture and Design		7,000									7,000		
Store Construction			200,000								200,000		
Total Store Construction Cost		7,000	200,000								207,000		
Land													
Building													
Furniture, Fixtures & Equipment - 20 Years													
Furniture, Fixtures & Equipment - 15 Years													
Furniture, Fixtures & Equipment - 10 Years													
Furniture, Fixtures & Equipment - 05 Years	328,000										328,000		
Autos/Trucks/Forklifts													
Computer Software													
Computer Equipment													
Desktop													

Summary of the project with metrics

Current owner: D Barrett

PROJECT SUMMARY

In this tab, the project manager evaluates the project's financial impact based on the latest revisions to the project plan. The project manager has immediate visibility into the summarized revenue and expense impacts calculated from the *Project Definition* tab. It also calculates the Present Values of cash flows to determine Net Present Value and calculates cumulative project costs, revenue and expense impacts to determine the Payback Period.

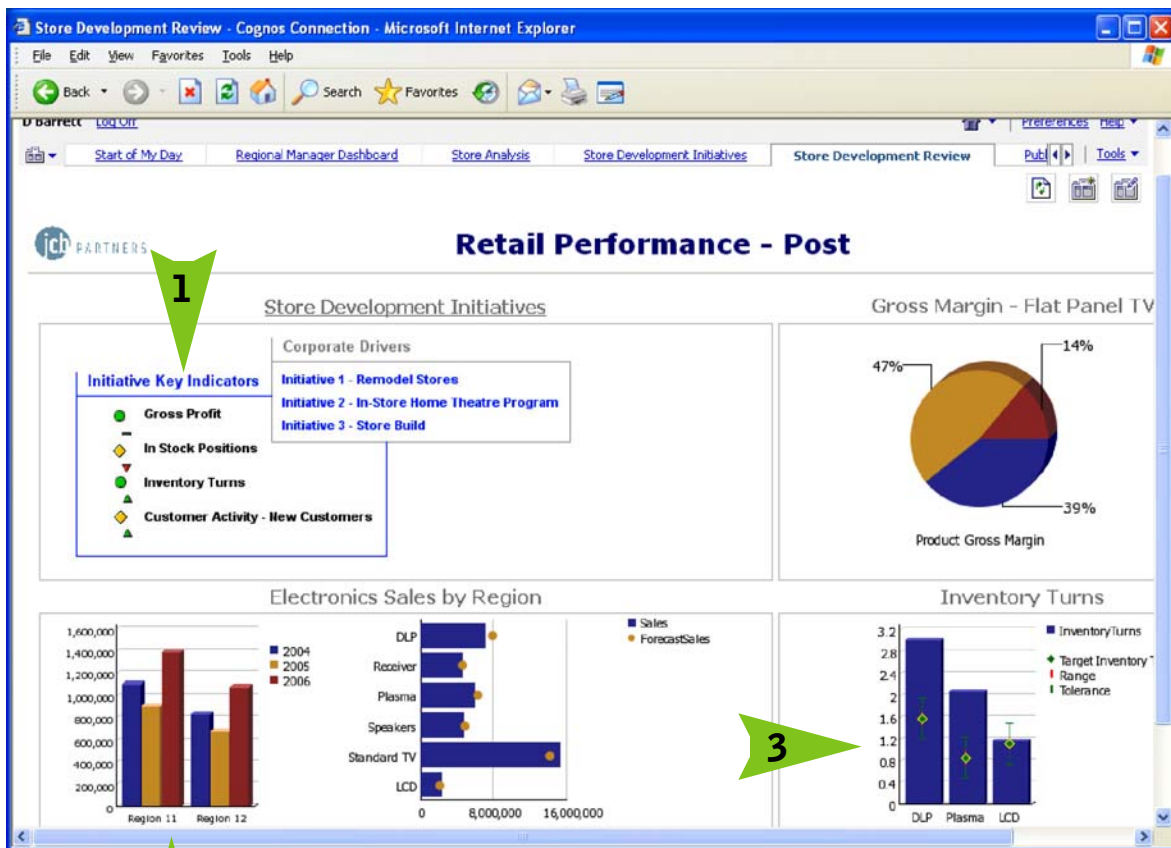
Retail Store Development Contributions Add Home Theater Preview Center -...		
File Edit View Tools Actions Help		
<div> <div>Expenditures</div> <div>Project Expense Summary</div> <div>Project Summary</div> </div>		
Add Home Theater Preview Center		
	Original	Revised
Project Description	Add Home Theater Center	Add Home Theater Center
Project Start Week-Year	Week 10 - 2006	Week 14 - 2006
Project End Week-Year	Week 38 - 2006	Week 42 - 2006
Impact Start Week-Year	Week 40 - 2006	Week 44 - 2006
Number of Stores Affected	7	7
Risk	Medium	Medium
Store Department Affected	Electronics	Electronics
Total Detail Project Expenses	155,032	155,032
Total Detail Project Capital Expenditure	931,000	931,000
Total Detail Project Expenditures	1,086,032	1,086,032
Total Sq Footage Cost Estimate	1,200,000	1,200,000
Variance Detail Project Exp to Sq Ft Estimate	(113,968)	(113,968)
Headcount	52	52
Total Weekly Revenue Impact	36,085	36,085
Total Weekly Expense Impact	25,200	25,200
Total Revenue Impact	77,499,631	77,499,631
Total Expense Impact	60,688,258	60,688,258
Project NPV	10,282,046	10,290,288
No of Months to Payback From Project Start	26	26
No of Months to Payback From Project End	26	26
Current owner: D Barrett		

Once store development initiative input is complete, plans can be submitted for approval or saved for continued work. In either case, workflow automatically takes over and provides real-time updates to the plan, offering reviewers immediate visibility. The results of the planning process can be used to analyze competing projects and make decisions on what store development initiatives merit funding.

STORE DEVELOPMENT PERFORMANCE REVIEW

Once approved, initiative information can be integrated into store-level plans via the *IBM Cognos Store (P&L) Operations Blueprint* as well as financial and other corporate systems. Chains can then measure actual costs, revenue, and return on investment against plan to determine impact of store development initiatives after they are implemented.

After implementing the In-Store Home Theatre Program, key indicators (1) may show improvements in Gross Profit, Inventory Turns, and Customer Activity; revenue increases (2); and Inventory Turns performing at a much higher rate (3).



About Cognos, an IBM company

Cognos, an IBM Company, is the world leader in business intelligence and performance management solutions. It provides world-class enterprise planning and BI software and services to help companies plan, understand and manage financial and operational performance. Cognos was acquired by IBM in February 2008. For more information, visit <http://www.cognos.com>.

For more information

Visit the Cognos Web site at www.cognos.com

Request a call

To request a call or ask a question, go to www.cognos.com/contactme. A Cognos representative will respond to your enquiry within two business days.



PARTNERS

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ABOUT THE COGNOS INNOVATION CENTER FOR PERFORMANCE MANAGEMENT

The Cognos Innovation Center was established in North America and Europe to advance the understanding of proven planning and performance management techniques, technologies, and practices. The Innovation Center is dedicated to transforming routine performance management practices into “next practices” that help cut costs, streamline processes, boost productivity, enable rapid response to opportunity, and increase management visibility.

Staffed globally by experts in planning, technology, and performance and strategy management, the Innovation Center partners with more than 600 Cognos customers, academicians, industry leaders, and others seeking to accelerate adoption, reduce risk, and maximize the impact of technology-enabled performance management practices.

ABOUT JCB PARTNERS

JCB Partners is a business-consulting firm helping clients utilize information centric solutions to improve their business decision process. A single source for Corporate Performance Management (CPM) and leading provider of consulting services to retailers, including Red Robin and CDW, the company’s strength is aiding businesses in accessing operational information to facilitate decisions that accurately measure performance, create forecasts, and develop budgets that drive achievement of goals.