claire's   DOROTHY PERKINS   JACK JONES
VERO MODA   Miss Selfridge   Evans   LiMiTeD TOO
peacocks   ONLY   RIVER ISLAND
    TOPSHOP
DEBENHAMS   TOPMAN   faith   NEXT

shaya

SHAYA TURKEY GETS THE RIGHT ANALYSIS AT THE RIGHT TIME FOR GROWTH WITH COGNOS PLANNING.

INTRODUCTION

Shaya Turkey, part of the middle eastern retail group Alshaya, is one of Turkey's fastest growing retail chains comprising fashion, health & beauty and food brands including Topshop, Topman, Dorothy Perkins, Miss Selfridge, Claire's, Burton, River Island, Faith, Evans, Peacocks, The Body Shop and Starbucks. Until the 1990s Turkey's retail sector consisted of traditional stores for food, such as grocers and bazaars, whilst clothing stores were concentrated within city centres. The opening of supermarkets in 1990 heralded the start of a more organised retail sector. Now with more than 20 outlets, Shaya Turkey has undergone phenomenal growth since it was first established in 2002.

Getting the location right has proved the most critical success factor when Shaya Turkey is planning a new store. In-depth analysis is required, providing detailed scenarios of all the possible locations, including expected footfall and product mix, to produce accurate sale predictions and full P&L accounts for each potential store. Another important decision is the opening date of a store, to ensure that income is generated as soon as possible, given that costs such as rent, utilities and employee costs are incurred prior to opening. *What-if?* scenarios are required to analyse the effect of alternative dates on profitability.

As well as performing analysis for new store openings, Shaya wanted to incorporate this analysis into existing processes such as monthly budgeting and forecasting to review the impact of new store investment on organisational performance. In 2005 with aggressive growth plans to grow from 20 to 50 stores in 12 months, Shaya was concerned about its ability to manage the required level and scope analysis to maintain performance.

BEST PRACTICE COMPANY REQUIRES BEST PRACTICE PLANNING SOLUTION

Shaya Turkey realised that its Excel-based budgeting and new business forecasting system would struggle to cope with the increase in volume and sophistication of the required analysis. Even with 20 stores, hundreds of spreadsheets were required to cope with all the various types of analysis required prior to closing the budget each month. The 3 lines of business—fashion, health & beauty and food—each have unique operating methods, and addressing these differences in Excel was virtually impossible and resulted in increasing the total number of spreadsheets further.

The store budgets are aggregated into brands and then consolidated into a high-level budget for the organisation as a whole. This was done manually which meant that monthly budgeting was taking until the 20th of the month to complete, with several days of effort just to close a month and update the budget accordingly.

To continue using its Excel-based budgeting system, Shaya would have had to recruit two new budgeting specialists into the finance team, not to reduce the time taken to complete the budget each month, but purely to be able to cope with the vast and growing volume of Excel spreadsheets. Growing the finance department in

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line with the growth of the business was not the answer—a new system was required that would facilitate fast and efficient budgeting and provide powerful analysis tools that would embrace, rather than strain under the planned growth of the business.

THE MARKET LEADING PLANNING TOOL IS SELECTED

Following a survey of the marketplace, and a series of reference visits to other Cognos customers, Shaya Turkey selected market-leading Cognos Enterprise Planning from Ereteam, the Cognos distributor in Turkey. Through talking to other Ereteam and Cognos customers, Shaya Turkey found that Ereteam's experience and in implementing and delivering budgeting and reporting projects was impressive.

MORE FREQUENT IN-DEPTH ANALYSIS FOR LESS TIME, EFFORT AND PEOPLE

With Cognos Enterprise Planning Shaya Turkey is experiencing a number of benefits:

Employee cost savings—Shaya was able to grow from 20 to 50 stores, without having to recruit two new budgeting specialists, making significant savings on the associated financial professional employee costs.

Time savings—Before Cognos, closing the month and updating the budget took several days to complete, now it takes a matter of hours. The final budget is now complete on the 16th of the month (rather than the 20th) although 6 days' effort has been saved in total.

New store analysis—*What-if?* analysis can quickly and easily be performed to run scenarios for potential stores of different sizes and transaction levels. In-depth analysis to this degree was impossible previously and therefore only very simple analysis was undertaken. Now, Shaya has full visibility of business performance for any combination of scenarios, with fast answers to questions including:

- Where should we open a store?
- What kind of products should we put on the shelves?
- What is the best price?
- When should we discount?

Store opening date analysis—This critical decision can now be based on thorough analysis with all avenues explored. Since the date on which a store opens potentially affects all P&L items, this was virtually impossible to perform in Excel.

Faster ad-hoc analysis—"The reaction from our users, the brand and operation managers, was extremely positive. After an initial hesitation about changing to a new system, they are extremely happy with Cognos Enterprise Planning, truly recognising the value it brings. For example, a brand manager may wish to fix sales margins and vary other parameters, such as the number of sales units, to analyse the effect on sales. Previously, this type of ad-hoc analysis could have taken weeks, but now takes just a couple of hours," enthuses Mustafa Karabekmez, IT Business Systems Manager at Shaya Turkey.

More frequent analysis for less effort—"Retail is a very dynamic industry. To forecast revenue for varying numbers of stores, in different locations, with aggressive growth targets is never a straightforward exercise. With its powerful *breakback* functionality and *what-if?* analysis capabilities, Cognos Enterprise Planning allows us to maintain our budgets and forecasts daily," says Oral Yalman, Director of Finance at Shaya Turkey.

WHAT'S NEXT?

The users at Shaya Turkey are so enthusiastic about Cognos Enterprise Planning that merchandise planning is to be incorporated into the application, for analysis of sales mix, promotions and campaign calendars. This is planned for March 2006, ready for the Autumn/Winter 2006 season.

ABOUT ERETEAM

Founded in 2001, Ereteam offer IT consulting services to a large number of organisations throughout Turkey, specialising in budgeting and decision support systems and implementation projects as a consulting party. Ereteam provides business intelligence, enterprise planning and corporate performance management consulting services, ensuring the successful implementation of Cognos products.

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