

Cognos software helps fashion designer boost sales by millions of dollars a year

High-end apparel maker also saves on shipping costs

By Eric Lai

Elie Tahari Ltd., a fashion designer and retailer, credits its IBM Cognos business intelligence software, particularly its business performance management (BPM) features, with helping it boost sales by tens of millions of dollars a year while saving several millions of dollars a year on shipping costs.

The privately held company, which sells about half a billion dollars worth of women's and men's apparel a year, said that using Cognos, which merged with IBM one year ago last month, has helped it better track hot-selling clothes and re-supply retailers worldwide faster, even while replacing the use of pricy air freight with cheaper sea shipping.

That has helped Tahari cut its overall shipping costs by 30% and boost its top-line revenues by 10%, according to Nihad Aytaman, director of business applications at Tahari.

Tahari began using Cognos for BI and BPM more than four years ago. This is the first time it has publicly stated the financial

benefits it enjoys as a result.

Tahari is running Cognos 8 Version 3, introduced a year ago. The system is near real time with a "single version of the truth," Aytaman said. For instance, it takes only five minutes for a purchase that is rung up in one of Tahari's 17 stores to make its way into the central data warehouse.

That helps Tahari quickly figure out whether a particular blouse is selling, or if the company's designers need to whip up a new design to respond to a hot trend.

Cognos "helps us chase the market, by letting us produce designs as late as possible, because customers' likes and dislikes change so frequently," Aytaman said.

On the production side, Tahari has implemented "checkpoints" in Cognos in the past year so buyers and managers can track what stage of production a particular item of clothing is down to, for instance, whether a garment has been dyed or not.

That may seem like too much detail, but Aytaman said it is key

to enabling design flexibility.

It also helps Tahari ship more clothes from its factories in Asia by boat rather than by plane, as had been the predominant method before.

Shipping by boat takes several weeks versus several days by air. But shipping by boat is also one-third the price, according to Aytaman.

Cognos is so mainstream inside Tahari that in September alone, employees requested nearly 26,000 reports, Aytaman said. "That tells you everyone is using it," he said.

The company is starting to roll out Cognos' planning and budgeting module, as well as creating different, more colorful reports.

Aytaman's biggest frustration is that many of its partners, such as the department stores through which most Tahari clothes are sold, lag behind it technologically. Department stores still provide Tahari with updated sales data reports only once a week.

"They're impossible to move [faster], they are the goliaths of the world," he said.