



## **Boscov's Department Stores**

### **Providing multi-channel shopping**

With more than \$1 billion a year in sales from nearly 40 department stores in five Mid-Atlantic states, Boscov's Department Stores is the largest family-owned retailer in the U.S. The chain, based in Reading, Pennsylvania, adds two or three stores a year, while its e-commerce transaction volume doubles annually.

### **On Demand Solution:**

#### [Why become on demand?](#)

Facing increased competition from "big box" discount retailers and online specialty stores, Boscov's was having trouble responding to the demands of its customers for better customer service in its stores and online. With its Web storefront and bricks-and-mortar divisions operating as information silos, the company lacked an integrated view of its marketing, inventory, order fulfillment, customer service and other operations. As a result, the company had no simple way of getting a unified view of customer needs and behavior that could more effectively guide its future efforts. Also, merchandise was sometimes delivered late because Boscov's fulfillment operations lacked realtime access to key information. Moreover, as the volume of e-commerce sales grew, Boscov's server infrastructure mushroomed, driving up its staff and technology costs and cutting into profitability. Boscov's knew it had to become more responsive to customer demands for better service in a low-cost manner by giving its staff integrated, realtime access to key e-business applications. It also needed to operate more cost-efficiently by reducing IT expenses.

#### [How and where did they start?](#)

Boscov's created a unified e-business framework for its e-commerce storefront and back-office applications such as order fulfillment. This lets all company departments share information in realtime and work together more efficiently to keep store shelves stocked and orders shipped promptly. It also lets Boscov's update its Web site in response to varying consumer demands and add new features quickly. The company built its e-business framework with IBM WebSphere Commerce for Linux, due to its broad functionality, ease of use and support for the low-cost, robust Linux platform. Seeking a robust, open IT infrastructure to support both back-office workloads and e-commerce applications, Boscov's consolidated nearly 40 Windows NT servers onto a single IBM e(logo)Server zSeries 900 system. A logical partition (LPAR) powered by an Integrated Facility for Linux supports about 30 virtual servers running SuSE Linux Enterprise Server. Another partition, running IBM z/OS, supports IBM DB2 Universal Database, an IBM IMS database and CICS transactional applications. A storage area network (SAN) based on IBM TotalStorage Enterprise Storage Server (ESS) provides storage support.

#### [What benefits did they achieve?](#)

Due to server consolidation onto an open-source platform, Boscov's has cut its total cost of ownership significantly through reduced hardware implementation, administration and licensing expenses. This includes avoiding buying ten new servers, saving about \$250,000. The company expects to achieve full payback on its IT investment within two years. The flexible LPAR structure lets Boscov's easily create more virtual servers in response to increased customer demand. And server deployment now takes minutes rather than hours, freeing up IT resources to focus on more productive duties, such as migrating cash registers and other in-store devices to Linux. Meanwhile, the open standards of the WebSphere e-business infrastructure allow the company to quickly integrate new e-commerce features to the online storefront, including a bridal registry, electronic gift certificates and coupons, and multiple ship-to addresses, which are expected to

increase sales. Tighter integration with order fulfillment systems leads to quicker, more accurate deliveries, which have improved customer satisfaction and reduced shipping costs.

**Confidentiality level:** External

**Industry:** Retail