



Overview

Business challenge

Increasing data volumes were making it difficult for managers at Bergfreunde.de to get a daily overview of the business and insight into customer demand. Too much time and effort were being spent creating purchasing and marketing reports that failed to deliver the information managers needed to make intelligent business decisions.

Solution

Bergfreunde.de implemented an information system based on IBM Cognos® Express, which centrally processes data from the company's front-end systems and provides purchasing, logistics and marketing managers with the daily key figures they need. The web-based solution fulfils the need for analytical functionalities such as dashboards and drill-down reporting.

Bergfreunde.de: climbing every data mountain

IBM Cognos Express deepens analytical insight into the outdoor retail market

Founded in Kirchentellinsfurt, Germany in 2006, online retailer Bergfreunde.de offers a comprehensive range of mountaineering and outdoor equipment. Over 60 employees make it their mission to deliver the best possible shopping experience to climbing and outdoor enthusiasts. The Bergfreunde.de product range includes over 25,000 items from more than 150 manufacturers — from outerwear and backpacks to climbing belts and snap hooks. The company's sales amount to around €10 million a year and are rising steadily.

The trendy outdoors

Climbing, mountaineering and hiking are the hobbies of the moment. More and more Germans are being called to the great outdoors; the number of ramblers and mountain-climbers is on the rise.

Bergfreunde.de has not failed to notice the rising demand for mountaineering and outdoor equipment, with company sales rising by an average of 30 percent per year. However, such commercial growth does not come without its challenges. More products, more customers and more orders mean a continual rise in the volume of data that has to be processed. This increasing complexity was making it harder than ever for the company's managers to purchase the right quantity of items, effectively plan logistical processes and successfully market their products.

Bergfreunde.de needed to be able to ensure high levels of availability, a broad product range tailored to customer needs, short delivery times and an easy-to-use ordering system if it was to maintain its position as a leading online retailer.

Focusing on business

The company's existing ERP system did not provide the company with the commercial information it needed, as Florian Wezel, Head of IT at Bergfreunde.de, explains: "Obtaining specific purchasing, product management and marketing reports was time-consuming or simply impossible. We used to have to process the data in a long, drawn-out process, using spreadsheets. For example, a purchasing manager would have to wait about an hour to extract the previous month's sales figures from the old ERP system. He would then have to get his hands on manually produced spreadsheets to calculate the key figures he wanted."



Business Benefits

- The new solution provides managers with in-depth views of the daily business and customer demand.
 - Bergfreunde.de can now accurately align its product range to customer requests, increase stock efficiency, reduce warehouse costs and increase customer satisfaction.
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Faced with these challenges, Bergfreunde.de wanted to obtain a more flexible view of its daily business, including data on sales, expenses, orders and future customer demand.

On the path to greater intelligence

In order for the company to continue to react successfully to developments in the outdoor market, it needed a new information system. As Wezel says: “The entire company had to improve its analytical outlook.”

Bergfreunde.de sought a robust businesses intelligence (BI) solution that could collate data from its front-end systems to a central data platform and make it available for individual reporting. It also wanted to give managers the ability to view the key figures they needed to control their area of responsibility.

“The aim was to reduce unnecessary costs and prevent bottlenecks in terms of storage and product range, in order to guarantee a high level of availability for our products,” explains Wezel.

Attractive price/performance ratio

In January 2012, the IT team embarked on a quest to find a solution. “We had IBM Cognos in our sights from the very start of the project, because I had already used the technology to good effect in the past,” states Wezel.

A proof-of-concept from IBM Business Partner Infomotion, which showcased the capabilities of IBM Cognos Express, tipped the scales in favour of the IBM solution. “IBM Cognos Express is the ideal BI suite for our requirements, because it offers us the best price/performance ratio for our particular IT landscape,” says Wezel.

The IT team was also impressed by the solution’s flexible web access, intuitive user interface and diverse data analysis options, including dashboards and drill-down reporting functionalities.

From concept to implementation

In February 2012, the project team began to create a concept for the new information system. The users’ need for information was the key focus of this project. “We wanted data to be extracted from the ERP system and made available according to users’ preferences,” notes Wezel. “For example, the purchasing team needs key figures such as sales by period, orders and gross profits.”

The team implemented IBM Cognos Express in February 2012 before turning to the task of converting information requirements into technology. The solution’s Framework Manager feature is an intuitive tool for data modelling and organising the reporting system. “It means you can apply data references and algorithms with extraordinary speed — it was all done within a matter of days,” remarks Wezel.

Solution Components

Software

- IBM Cognos® Express
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“IBM Cognos Express has sharpened our view of daily business. Thanks to this solution, Bergfreunde.de now has a solid information base for operational and strategic decisions.”

— Florian Wezel, Head of IT, Bergfreunde.de

New information system

In the following months, Bergfreunde.de used IBM Cognos Express to develop a new, inter-departmental information system. The project team installed a central data warehouse based on a Microsoft SQL Server database. All the ERP data flows into a staging area on a daily basis, as does the data from the online shop, such as registration information and item data. The data is then loaded by way of a daily extract, transform and load (ETL) process into the IBM Cognos system, where it is ready for multi-dimensional analysis.

The new solution gives users self-service access to analytics. Users from different departments log into the system via a web browser and can view all relevant reports, depending on their access rights. IBM Cognos Express uses intelligent algorithms in its data processing, which provides users with the data they want at high speed. “For Bergfreunde.de, this system represents a quantum leap in information delivery,” says Wezel.

Decision-making at the touch of a button

Around 15 users at Bergfreunde.de currently use IBM Cognos Express for their own reporting needs. The new solution is used mainly for purchasing control and product management. With just a few clicks, managers can get an overview of all the orders from the previous month, the previous year or a multi-year period. They can also configure their own dashboard views, navigate through individual product categories, select analysis parameters and browse the data by drilling up and down.

Key business questions can now be answered instantly. “For example, a buyer can see that we sold 50 units of a certain design of raincoat in the previous month, of which 20 were for men, 20 for ladies and 10 in children’s sizes,” explains Wezel. “The solution can calculate with extreme precision the number of items and sizes needed for the coming months — this increases stock efficiency because the items are then available in the correct quantity.”

Bergfreunde.de has already reduced its inventory storage costs by using the new solution, while simultaneously reducing employee workload, as Florian Wezel comments: “Reports that used to take us around two days to compile are now available in a few minutes and in far greater detail. The analyses give information about all the necessary figures, such as gross profits, storage costs per product and sales per item. This opens up a window into our daily business and gives us the facts we need to make strategic decisions in product management.”

New marketing perspectives

Marketing managers at Bergfreunde.de are also getting the daily insights they need thanks to IBM Cognos Express. Based on detailed customer analyses, they can recognise which products are particularly popular with which customer groups. This helps them to put together more targeted marketing campaigns, such as newsletters or special offers.

“Altogether, Bergfreunde.de has moved one step closer to our customers since deploying IBM Cognos Express,” remarks Wezel. “The high level of transparency and quality of the data mean that the company is always in a position to recognise and meet customer demand. IBM Cognos Express helps us to increase customer satisfaction.”

Customers are the future

Bergfreunde.de intends to use the new business intelligence solution in the future to continue to improve its customer service, with online data being linked directly to the solution. Wezel concludes, “IBM Cognos Express offers us the flexibility to link different data and data sources very quickly and to use it for analytical purposes. The solution has already met with an extremely positive reception from users — and the trend towards predictive analytics is set to continue.”

About Infomotion

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