

Leading Russian retail chain benefits from interactive analysis of its financial and marketing data in QlikView

// QlikView is not just a BI tool. It's a catalyst for dynamic and ambitious companies, a flexible and rapid tool for proactive users who are ready to take their company to the next level. //

Boris Mikhailin, Head of BI, Trade House Kopeyka



Original Active QlikView users and QlikView deployment team members, Trade House Kopeyka

About the Customer

Trade House Kopeyka is a leading national discount retailer. The Kopeyka retail chain includes over 600 stores in 196 cities and towns throughout 25 regions of the Russian Federation. It has more than 700 Russian and international suppliers and carries a mix of products, 90% of which are produced in Russia. In 2009, the retail chain's revenue was 57.5 Billion Rubles. The company employs over 10,000 people and is headquartered in Moscow.

Disconnected, non-real time systems

Until implementing QlikView, the company had generated its analytical reports using data from several disconnected real-time systems for accounting, SAP, Gestori and others – facing a number of difficulties. The generation of complex reports in the current systems was extremely slow, which contributed to untimely business decisions – a major operational risk in an industry as fast-paced as Retail. It was impossible to consolidate information,



Solution overview

Company:

Trade House Kopeyka is a leading national discount retailer. The Kopeyka retail chain includes over 600 stores in 196 cities and towns throughout 25 regions of the Russian Federation

Industry:

Retail, Grocery

Functionality:

Senior Management, Sales, Marketing, Finance, IT

Region:

Russia

Project objective:

Consolidate information from various sources to get real-time credible, comprehensive and consistent reports in key business areas.

Solution:

QlikView provides more than 100 users in the head office and regional offices with fresh business information, enables deep and diverse data analysis, and sets employees free from routine, non value added work.

Benefits:

- More efficient use of disparate data;
- Enabled detailed information analysis;
- Faster reaction to new trends and patterns in consumer behavior;
- Users use data more efficiently;
- Improved efficiency of marketing campaigns and customer relationship management;
- Less people to support the accounts system;
- 65-70% faster report generation.


Data sources (approximately 100 data sources):

- Applications: SAP (the main transaction system, two key modules are FI, MM), Gestori (a cash receipt data storage system), logistics control system, the Unified Register of Real Estate Objects, IAS financial data base;
- Databases: Oracle 10, Progress, SQL Server, Access, Excel.

Data volumes at Trade House Kopeyka:

- 15 Terabytes in SAP;
- Approximately 150 TB of data amassed in Gestori in two months;
- Nearly 3 billion lines of accounting information.

Partner:

 Консультационная группа ATK
ATK Consulting Group
www.atkcg.ru

“ QlikView was chosen in order to take some load off our systems and move the generation of analytical reports into a separate, specialized environment. Moreover, we planned to speed up analytical information processing by users. Having implemented QlikView, we quickly achieved our forecasted results ”

Maxim Viktorovich Goldverg, CEO



Alexander Artyukhov, IT Office Executive Director, Trade House Kopeyka

quickly and effectively, without a robust Business Intelligence (BI) tool. Compounding the situation was that data rarely matched from the multiple source systems in use. From a technical perspective, Kopeyka had to take part of the data load off the real-time systems and free them from processing analytical queries and report generation.

Kopeyka examined different analytical platforms and solutions as part of their software selection process using a defined set of business and technical requirements, the key being the tool's productivity and the quality of data delivered to the end-user. Kopeyka needed a tool which could efficiently handle large data volumes and would help

it to not only monitor its processes and generate corporate reports, but also to achieve efficiency in its decision-making and forecasting, risk management and business process improvement.

In the end, Kopeyka chose QlikView as the BI platform and ATK Consulting Group as their solution supplier and implementation partner in the project. "What we liked about QlikView was the speed of data delivery, the price/quality relationship and the short time to value. The product's in-memory technology and associative data model allowed for the storage and processing of information to be very easy. That's exactly what we needed when dealing with our large data volumes. In addition, with QlikView we managed to avoid having to create an intermediate data warehouse, which saved us time and money", says Boris Mikhailin, Head of BI. "Naturally, the profound expertise of ATK Consulting Group played a crucial role. With such a professional team we were confident that the project would be a success."

Project Execution

In a large company like Trade House Kopeyka, a BI project requires taking into account diverse demands of the users from different departments and geographical regions. ATK Consulting Group created a data model that met all of the requirements in the complex retailing structure, developed a methodology for defining Key Performance Indicators (KPIs), built a system that visualized KPIs from different analytical perspectives and provided a framework to verify the quality and accuracy of information coming from multiple source systems.

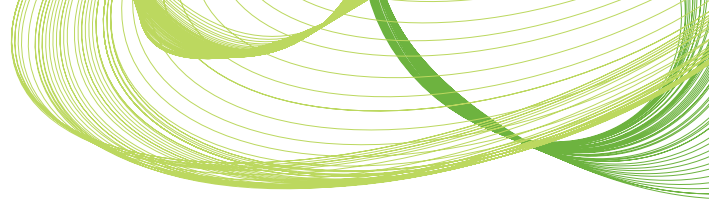
Using a simple yet structured build and deploy plan, Kopeyka was able to have QlikView up and running within a few days, with user training being completed in five days!

"Our employees were trained in three key areas – user interface design, the development of data loading scripts and Server administration. QlikView really has a very convenient development framework. It is nice to use not only for end users, but also for IT staff. That's why we had our first QlikView application up and running only ten days into its use. As we'd hoped, we managed to save up on system maintenance compared to other BI solutions because end users don't need assistance to generate customized analytical reports," says Alexandr Obolensky, BI Group Manager.

Currently, QlikView is used in three departments – marketing, finance and logistics. For most of the critical BI tasks, there are 30 data models available which integrate information from over 80 data sources. The majority of QlikView users are located in Moscow, and regional offices receive automated reports through a fixed mailing list. Analytical information on the internal portal is refreshed daily. QlikView is used by senior management, heads of departments and regional offices and the number of users continues to grow.

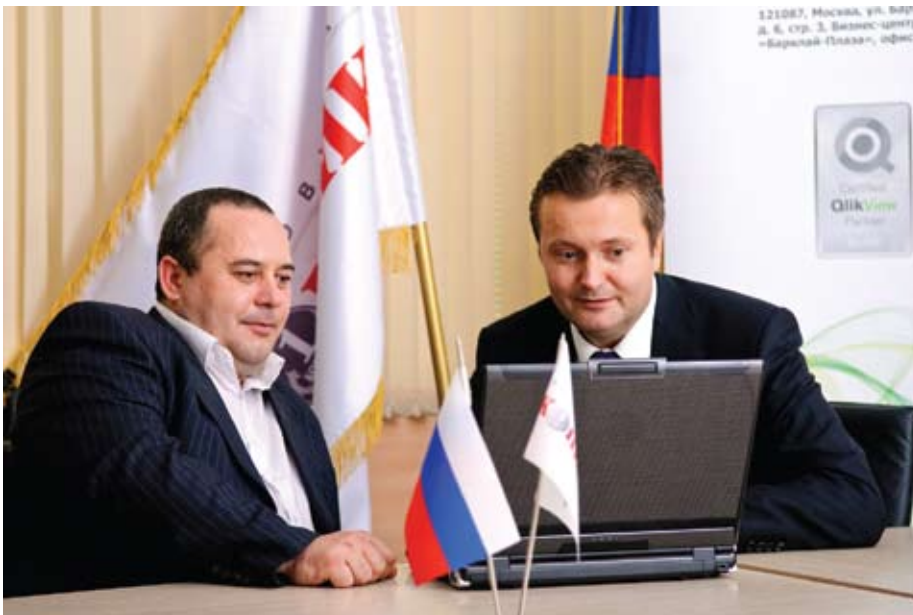
Benefits

By implementing QlikView, Kopeyka has made users work with data more productively and has become capable of viewing analytical information in higher detail. The time needed for



// The QlikView implementation is our first initiative towards the automation of our analytics requirements. It has allowed us to consolidate all data into one system and create a single information environment for real analytical work. We actively use QlikView for interactive multi-user data analyses. I couldn't imagine that with our volumes of data – more than 15 Terabytes – it would be possible to process information so quickly. //

Boris Mikhailin, Head of BI



Boris Mikhailin, Head of BI, Trade House Kopeyka; Andrey Terekhov, Head of QlikView Sector, ATK Consulting Group

report generation has decreased by approximately 65-70%, so the company now reacts faster to new trends and patterns in customer behavior and, as a result, has improved customer relationships and trade efficiency. QlikView saves time and enables efficient use of resources, while also maximizing capital investments. At the end of the day, all of that adds up to increasing the company's revenue.

Implementing QlikView has also significantly contributed to cutting IT expenses. Reports used to be created and maintained by a large number of people, with SAP developers of different

proficiency levels. Now, this work has been delegated to the BI department which consists of no more than 4 people. By giving users the ability to create and customize reports on their own, Kopeyka has lessened the burden on its IT team and decreased the time of response to an information query by 98.6%.

"What I like most about QlikView is that the system has made analytics a productive and interesting thing. The time our employees used to spend on retrieving information from different sources, is now used for comprehensive analytical work, which is bringing the company closer to its strategic goals.

That means that by choosing QlikView, we really made the right decision!" believes Boris Mikhailin.

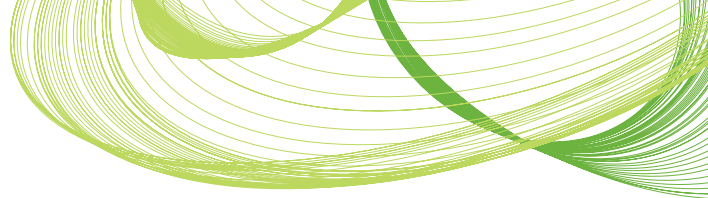
Managing Marketing and Sales

The sales data models, which are actively used by the marketing and logistics departments, are designed for tasks such as merchandise turnover calculation, stock forecasting, procurement calculation and price policy adjustment for all merchandise items according to the company's hierarchical (geographical) structure.

Boris Mikhailin says, "Before QlikView, we mostly did our analytics with reports from systems where we could only evaluate the success of our marketing campaigns after they were over. Hence we couldn't stop inefficient campaigns ahead of schedule or, visa versa, prolong the most successful ones because we lacked credible data. We only analyzed the success of campaigns to know if we should repeat them in the future. Now with QikView, we've built a very convenient and efficient scheme for analyzing the success of marketing campaigns – for each of them we create a standard model which lets us analyze sales before, during, and after a campaign. So, our marketing team now enjoys a new level of BI interactivity."

Managing Finance

QlikView supports most of the accounting systems based on both the International Accounting Standards and



Alexander Obolenskiy, BI Principal Specialist, Trade House Kopeyka

the Russian Accounting Standards. The system enables data consolidation and classification, intra-company balance elimination and the allocation of costs to cost centers. For the corporate reports, QlikView pulls most of the data from the SAP database and IAS accounting system, and then transforms and visualizes them across different dimensions. The main users of the financial applications are the chief accountants of legal entities within the company group, their deputies and the staff of the financial accounting division within the finance department.

“Kopeyka uses QlikView to generate financial reports because few technological tools would be able to process tens of millions of lines of accounting documents within a month, at a comparable speed,” explains Mikhail Belyaev, deputy CFI. “Perhaps, one of the main goals we managed to achieve with QlikView is creating a dynamic perimeter of data consolidation. It is critical for the group because it continually grows and changes its composition - some companies are sold, others take their place, it’s a continuous process. QlikView has given us the possibility to have dynamic data consolidation with a list of companies which changes from one accounting period to another. We’ve also simplified

the detection of data discrepancies – because of QlikView’s associative model we can easily switch from one level of data aggregation to another. That means that now as we analyze this or that article, we can go down into the document and quickly diagnose data discrepancies. Moreover, apart from generating standard finance reports QlikView helps us manage relations with our debtors and creditors, reveal value-impaired debts, control the age of accounts receivables and track consolidated mutual settlements.

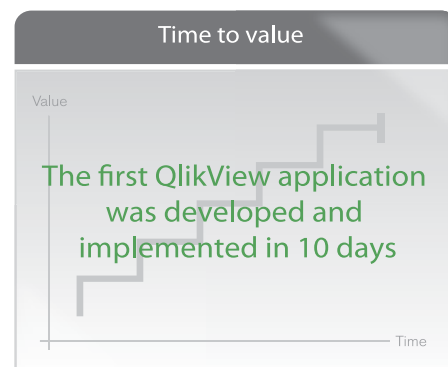
Our QlikView implementation has increased the flexibility and interactivity of the financial information analysis process, which, when we deal with millions of lines of accounting documents every month, means that we significantly cut labor costs of financial reports and analytics generation,” sums up Mikhail Belyaev.

For Senior Management

For the senior management team, Kopeyka has developed a special set of applications - dashboards with dynamic data based on specific retail industry KPIs (total revenue, revenue per square meter of floor space, the number of cash receipts per day, the margin, etc). The QlikView dashboards help to evaluate those KPIs from different perspectives, for example, by type of sales outlet or by region, and track their performance trends.

The Future Outlook

The QlikView solution implemented at Trade House Kopeyka continues to expand. The biggest challenge is still to increase the quality of decision-making among the mid-level management. For this purpose the company will train its employees and make QlikView's analysis capabilities available to this user community. Regional offices will also use QlikView more actively. The system functionality will evolve to cover the operational requirements of the HR department, security services, traffic security services, traffic and IT departments.



Key analytics and reports in 'Finance' area

- Turnover balance sheets across various time dimensions and aggregate levels:
 - Data based on Russian Accounting Standards
 - Enabled the elimination of intra-company balances
- 'Balance sheet' report
- Loss/income report
- Cash drive report
- Debtor and creditor relationship management
- Consolidated mutual settlements at the company and legal entity level

Key analytics in 'Marketing and Sales' area

- Sales cluster analysis
- Product turnover analysis
- Campaign and marketing effectiveness analysis
- Product and supplier performance reports
- Reports for continuous analysis and revision of retail prices
- Short-term sales analysis up to cash receipts, includes:
 - Sales dynamics analysis
 - Sales analysis by hour
 - ABC-XYZ sales analysis
 - Sales average transaction dollar value, and individual receipt analysis

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