



Case Study

REALITY GROUP / GUS

GREAT UNIVERSAL STORES INCREASES CUSTOMER RECRUITMENT IN MOBILE AGE WITH XCELLENET

Home shopping has come of age in the 21st century. Busy lifestyles, longer working hours and crowded shopping centres mean that at some point, most people will explore the benefits of browsing and purchasing all kinds of merchandise from the convenience and privacy of their own homes. For many, it becomes a way of life, freeing precious leisure time.

There might be nothing new about the concept of browsing through a catalogue - whatever the medium - and placing an order. But today, the home shopping market is an increasingly sophisticated field.

Customers expect a better quality of service than ever before. And home shopping companies are evolving from canvassing-based organisations primarily concerned with catalogue distribution, to highly responsive businesses with a vested interest in maximising existing customer relationships and converting prospects into active customers while the trail is hot.

In October 2000, after a successful pilot scheme, GUS Home Shopping Ltd., the catalogue and internet retail company whose brands include familiar names like

Choice, Universal, Kays and Argos Additions, embarked on a major project to automate its 450-strong team of sales representatives.

Supervised by Reality Group, GUS's end-to-end business solutions provider, the project is being implemented by Retail Business Solutions (RBS), the UK's leading independent retail solution provider.

The new system is based around Afaria, XcelleNet's mobile device management software. By late autumn 2001, each high-street-based sales representative will have graduated from traditional paper-based procedures to a hand-held device (Casio's Windows CE-based Cassiopeia). The hand-held devices capture the data from their daily customer recruitment activities.

At the end of the day, Afaria automatically polls the data and transfers it to GUS's central systems for analysis and the generation of management reports.

"This is the equivalent of moving from quill and parchment to a state of the art word processor in one single jump," says Bernard Mills, Project Manager at Reality Group. "It's a complex piece of new technology, and it requires comprehensive training, but after two or three weeks of acclimatisation, sales representatives show increased productivity - the conversion of prospects into active customers - by as much as 15%."

RBS has played a key role in the project, as a consultant and reseller offering a single point of contact management, as well as a software developer rewriting previously developed software for the Windows CE platform. In addition, RBS has created a post code-based search engine, which automatically enters address details when prompted by the user. It also manages the nightly data polling process from its support centre in Milton Keynes.

"I presented the specification for our requirements to RBS, and, throughout, they have helped us with product selection and technical insight," says Mills. "Together we evaluated a number of products, most of which fell short of our demands for reliability, software efficiency and security. We needed a system which could handle data transmission to a central processor from the sales representatives' home."

The security of that data is paramount: the success of GUS's catalogue business rests on gathering information from potential customers - members of the public, who must be satisfied that it will be treated professionally and discretely.

On paper, Afaria seemed to be the ideal solution. But as an early adopter, Mills says the decision to adopt it did require a leap of faith. RBS agreed to manage the system and Mills took the judgement that Afaria would do what it claimed to do.

The verdict? "It's excellent. It does what it says it will do. If a polling call is interrupted, the system automatically picks it up and re-establishes the connection. We've had no unnecessary duplication or loss of data, and encryption ensures security. There's no more risk of information getting lost in the post," says Mills.

As the roll-out has progressed, the



business benefits have accrued rapidly. Perhaps the most important is the increased commercial advantage. Automation considerably reduces the time between introducing a potential customer to a catalogue, arranging for the catalogue to be despatched from the warehouse and the customer receiving it and placing the first order.

The system is replacing a laborious sequence of manual processes. Previously, sales representatives had to collate their paper-based introductions at the end of each day, pack them up and mail them to head office where they would be sorted and passed to a data entry clerk. At every stage, the scope for delay and inaccuracy had a potential impact on the company's response times and efficiency.

Under the manual system, processing customers' applications could take more than a week, by which time they could have gone off the boil. According to Mills, in theory a catalogue can now be with a newly signed customer within 48 hours. His ultimate aim, as new wireless technology like GPRS comes on board, is to offer 24 hour turnaround.

Another business benefit is a significant reduction in paper consumption. If each sales representative gathers an average 25 introductions per day, GUS is processing more than 11,000 every night - that's more than four million every year. At a stroke, the new system cuts out the cost of a huge volume of stationery and postage. Data input operators are freed to perform more business-critical tasks.

And because Afaria enables the transmission of data in both directions, sales representatives can be pre-armed with information that helps them to make more efficient use of their time. For example, they can make house calls on addresses that have already been credit-checked, and the process of identifying a potential customer and converting them from a prospect

becomes more exact.

Mills says sales representatives feel empowered by the new system. While they need training to understand how it works and to make best use of it, it is very simple to operate. A single 'virtual' button is all they need to press to initiate the daily communications process with head office. This happens transparently. Within seconds, their data has been uploaded, relevant data for the next day's business, or software upgrades, has been downloaded and their work is done for the day.

"This system allows them to be far more proactive in selling the benefits of home shopping in the customer's living room or on the high street," says Mills. "This is no longer about someone with a clipboard and a piece of paper. It's somebody selling the benefits of home shopping with a high-tech, good-looking piece of equipment. It enhances customer confidence and perception."

The new system also allows Mills and his team at Reality Group to have "open ears" to the requirements of the sales representatives. The automatic calculator facility and the post-code-based search engine have proved early successes. They have been joined by an on-screen counter which allows the sales representative to see how many successful calls they've made in a day. There have also been benefits from an IT services management perspective. Mills says the automation of data management is a liberating factor. The system doesn't require dedicated staff to run it or provide constant support.

Systems management becomes a monitoring process rather than a constant task. And data management allows the generation of sophisticated business and management reports which identify regional trends, for example, or the performance of individual sales representatives.

As the roll-out nears completion, the

emphasis is on constantly improving the quality of information made available by the new system, to the customer, the sales representative and managers at GUS's head office.

In future, Mills expects the system to allow even greater interaction between staff in the field and the company itself. Information gathered by the sales representatives will be used to refine the company's market research and direct mail activities. There is also potential for the system to become a revenue generator in its own right, allowing sales representatives to gather information for third party research projects.

"It's a powerful tool which takes GUS where it needs to be: a proactive enabler of home shopping which has moved right away from basic canvassing for catalogue distribution to a sophisticated sales operation with a high conversion rate from prospects who turn cold before they receive their catalogue to active customers" says Mills.

The future of home shopping has never held so much promise.



MEASURABLE SAVINGS RESULTING FROM THIS PROJECT

- Eliminating 5% wastage and 20% increase in sales calls delivering more than 100,000 more customers
- £ 200,000 reduction in administration costs
- Elimination of 98,000 tonnes of paper

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