



Oracle Advanced Inventory Planning: A Case Study for the World's First AIP Implementation at Argos

Presenters:

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Session Abstract:

Argos is one of the UK's leading general merchandise retailers, with over 700 stores throughout the UK and an impressive track record of continued growth. Argos is currently in the final stages of successfully implementing Oracle Advanced Inventory Planning application. This presentation will outline some of the key challenges faced and solutions adopted at both system, people and operational process level in order to deliver tangible business rewards in terms of reduction to inventory and improved customer serviceability.

Content:

A fully integrated multi-channel retail offering requires the support of a substantial and highly complex supply chain system.

The Argos Challenge

A strategic review of supply chain capabilities identified that these would constrain ambitious plans for future growth and multi-channel development. Action was required to develop an end-to-end solution that would allow Argos to develop their lean business model further based on responsive service to small footprint constrained stores.

The Transformation Approach

In 2001, Argos embarked on a supply chain transformation journey – the final and most ambitious phase targeted Replenishment and Core Operations (Project RACO). Argos partnered with Accenture and Oracle to bring together business knowledge, world first technology and change management expertise.

The Results

The program has delivered world class supply chain capabilities to support Argos' future growth plans. New technology has been co-developed and implemented without disrupting the customer experience or service to stores. The project has already delivered tangible benefits, ahead of the plan at this stage and is on track to exceed its target by 2010.

About Home Retail Group:

Home Retail Group is the UK's leading home and general merchandise retailer with sales of over £5.8 billion in the last financial year. It sells products under two distinctive and complementary retail brands, Argos and Homebase, which are household names in the UK.

Argos is a unique retailer recognised for choice, value and convenience. It sells more than 18,000 general merchandise products for the home, all of which are set out in its twice-yearly 1,700-page catalogue which is at the heart of its proposition. Customers can purchase products through its network of over 700 stores, or order them online or over the phone, with the option of picking up their purchases from a store branch of their choice or having them delivered direct. Argos' Internet site, is the second most visited Internet retail site in the UK. Argos serves more than 130 million customers per year through its stores and takes 4 million customer orders per year either online or over the phone. On average, 17 million UK households, or around two-thirds of the population, have a current Argos catalogue at home at any time. Homebase has 700 stores throughout the UK and Republic of Ireland, online and over the telephone.

In the last financial year, Argos sales grew 8% to £4.2 billion and it employed some 34,000 people across the business.

Homebase is the UK's second largest home improvement retailer and is recognised for choice, style and customer service across the wider home enhancement market. It has more than 310 large out-of-town stores as well as a growing Internet offering, which sell over 30,000 products. It also offers its customers the convenience of home delivery for bulky, high value items. Homebase serves more than 70 million customers per year through its stores.