# Business Intelligence Helps Global Fashion Empire Stay Ahead Of the Market.

PVH Corp., the owner of brands such as Calvin Klein and Tommy Hilfiger, strengthens market responsiveness with Island Pacific SmartAnalytics.

In anybody's terms, PVH Corp. ('PVH') is a giant in the world of fashion. The US-based company owns a diversified portfolio of globally recognised brands including Calvin Klein, Tommy Hilfiger, Van Heusen, IZOD, ARROW, Warner's, and Olga. Its clothing brands are sold through more than 860 stores across North America, Europe, Asia and Latin America, generating over $8 billion in revenues in 2013.

## THE CERTAINTY OF CHANGE

Although PVH's roots go back to 1881, it is in the last ten years that the company has experienced outstanding growth, largely due to strategic acquisitions, canny brand management and a commitment to expansion.

PVH operates in an industry in constant flux. Fashions move on from one season to the next and a design that sells in the millions one year may be relegated to the remainders bin the next. For each brand team to know what patterns, colors, styles and sizes to order and produce for their target consumers, early identification of trends is crucial. Retail teams must have real time visibility of sales and inventory all the way down to individual stores.

For many years, PVH has supported its branded retail businesses by equipping them with Island Pacific's SmartAnalytics platform. This core merchandising and inventory software helps stores drive sales and manage inventory through the use of key retail life-cycle tools including item management, merchandise stock ledger, purchase order management, price management and physical inventory.

Jeff Lombardi, PVH Group Vice President, Merchandise Systems, has worked closely with the Island Pacific systems since arriving at PVH 17 years ago. "We have been using Island Pacific for our retail businesses for the past 23 years and it has worked well for us. Island Pacific continues to be an asset we leverage and we are also benefitting from product extensions like Island Pacific SmartAnalytics."

Mr. Lombardi continued, "One of the applications that holds up extremely well with Island Pacific is its transaction engine. The system produces very consistent, very clean results time and again. As a public company, we are continually audited, it is good to know that the numbers produced are 100 per cent accurate."

*"We have been using Island Pacific for our retail businesses for the past 23 years and it has worked well for us."*

Jeff Lombardi, PVH Group Vice President

# By 2012, PVH was already using 16 Island Pacific database instances in the US and Canada.

## ANALYZING THE NUMBERS

By 2012, PVH was already using 16 Island Pacific database instances in the US and Canada. The Island Pacific system was producing a mass of data that helped to inform key performance indicators such as average dollar sales, store traffic and sales data, but there were also limitations. One was the difficulty of analysing comparative data. Another, the need to rely on PVH's team to develop ad hoc reports – a process that took valuable time.

"In our market, merchandising managers need to have a close understanding of our operations in order to make critical business decisions on a daily basis," says Mr. Lombardi. "While we had vast volumes of data from our operations, it was taking too long to extract value using our existing tools and was impacting IT productivity. As such, we needed a solution that let us analyse data down to a more granular level to spot market opportunities, was simple to use, and could adapt to the volume, variety, and velocity of our data.

In order to provide the missing analytic element, PVH decided to implement Island Pacific SmartAnalytics, a business intelligence (BI) and data warehouse solution designed for the retail environment and pre-integrated it with the Island Pacific Merchandising System. Based on the Microsoft SQL Server, the data warehouse could bring together data elements from all our retail divisions across all years, capturing data down to the most granular of levels, including item, transaction and day.

Using the familiar Microsoft Excel interface, it offered the ability to create reports, dashboards and KPIs with minimal training. Moreover, Island Pacific SmartAnalytics included a mobile interface that would allow PVH and its brand managers to easily monitor and act upon daily business KPIs.

"The idea that there was a data warehouse perfect for our environment was extremely important to PVH because there are many people out there with BI tools but very few understand how retail, or how Island Pacific works."

Jeff Lombardi, PVH Group Vice President

# 3.5 terabytes of data and growing

Work on the data warehouse began in 2012 with the integration of 3.5 terabytes of sales and transaction data, along with stock ledger information from 16 separate systems. In the course of two years, the data warehouse has been rolled out to businesses in the US, Canada, Hong Kong and China. It will also become available to PVH's Korean retail division in the very near future.

"The data warehouse has proven to be very versatile and extremely fault tolerant," Mr. Lombardi says. "Since going live it has dealt with millions and millions of transactions and has provided good results.

"The tool allows users to slice and dice the data. People have the ability to choose what they want to know. In the old days, we had to have developers produce reports and invariably, a week or two later, they would want to add or change the reports. Now users have the power in their own hands. They can create reports to find the information they need and make changes on the fly."

"We are getting stock level data down to the hour across a lot of metrics. The reporting has gone from being a nice tool to business critical with positive feedback from our branded businesses." Mr. Lombardi says.

"The insights gained from the data warehouse are helping to improve inventory management, reduce stock costs and quickly respond to market trends.

The use of Excel as the front end has helped to speed user acceptance across the branded retail divisions. "Merchandisers are extremely savvy and skilled at knowing Excel. When you give them this tool, they are off and running very quickly. They have needed little hand-holding or support." he adds.

Today, approximately 400 PVH associates rely on the Island Pacific Data Warehouse to analyse merchandising, inventory and financial data. Lombardi expects this number will only increase as the business continues to grow and as new people are hired.

"The key benefit is the ability to identify trends faster. They can see how products are selling against inventory positions and they can react faster to change. We have better inventory management because we know what is required and this in turn helps to reduce the number of times we need to markdown products. These kinds of insights weren't available to us prior to this toolset. The data warehouse is making us smarter at merchandising and it's hopefully keeping the customer base loyal and happy." Mr. Lombardi concludes.