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DATA MANAGEMENT

Off-the-Rack Functionality

Ross Stores sold on **speed, utility** of data warehouse appliance

BY FIONA SOLTES

Say all you want about the Internet speeding up business communications, it still won't explain the frustrations that employees of Ross Stores were experiencing running time-consuming data reports online. Some took hours.

It was 2005, and something had to give. The current system just wasn't meeting the needs of the growing company, so the search was on for a new solution for data availability. The choices were fairly straightforward: re-tune what was already in place or select a new platform. The costs would have been about the same, so new won out, and Ross chose a platform from Framingham, Mass.-based Netezza.

"Going into this, with Netezza being a relatively new player in this space, we definitely wanted to do our homework," says Scott Lindblom, vice president of applications for Ross. "But they came on-site, and we were impressed with that. They made an investment and brought one of their boxes, took our data and put it

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— Scott Lindblom, Ross Stores



on the system and showed us what the capabilities would be. They explained that we'd see the same results in production, and the outcome really was as advertised."

Andy Winans, vice president of retail and consumer packaged goods for Netezza, lists a number of large companies that have utilized the company's data warehouse appliance, including Neiman Marcus, Amazon, Cingular Wireless and Restoration Hardware. Partnering with such large customers has been a great boon, Winans says, but it has also had the unintended consequence of creating "a misconception that our systems are only for organizations with tons of data.

"We have many customers that have

a terabyte or less of data," he says. "And they've been able to leverage the high performance of our system for deep analytics without having to use a lot of human and financial resources as [customers] would with other data warehouse options."

With just under 800 stores, Ross works with about nine terabytes of data; some of the larger companies may have 20 terabytes or more. "Ross is growing very quickly, with many stores in geographically dispersed locations," Winans says.

"And when that happens it becomes difficult for a buyer or allocation manager without such a system to look at detailed data and make the right decisions on assortment, allocation by store and other business-critical areas."

Pent-up optimism

In recent years, he says, some businesses have become disenchanted with warehousing systems. The initial applications were easy to build, Winans says, but "things start to slow down when people want to add that second or third



application, and really use their system as an enterprise data warehouse. It becomes very difficult to add different reporting capabilities and continue to grow the warehouse.”

Netezza, he says, “brings to the table the pent-up optimism that was in data warehousing 10-15 years ago.” And with the amount of data being captured and analyzed continuing to grow, it’s not a moment too soon.

“Businesses can change,” Winans says. “And that changes the way people look at data, the way they do their reporting and the way they want to look at their customers. It could be that you get your merchandising up and running, and you want to add the supply chain information, or give your marketing people access to customer data. Today’s retailers want more value from their investment.”

Ross implemented the Netezza appliance last summer and has been concentrating on merchandising. As an off-price retailer that is focused on close-outs, the company has a larger-than-average number of SKUs and doesn’t always know what specific products it’s going to sell.

“We’re not really doing a lot yet with store reporting, although we have recently started reports on shortage or shrinkage, which is a large cost to the company,” Lindblom says. “We’re trying to practically manage that. And in terms of store operations, we could definitely go through additional analytics.”

All the same, he says, the company has already experienced a significant improvement in data load, and has spent less time on system maintenance and more on developing new capabilities than it had in the past.

“There’s a lot of horsepower,” Lindblom says. “If the old solution was a V-6 engine, now we’ve got a V-10.”

Winans won’t argue with that analogy. “There’s a lot of technology in there that allows it to process data much quicker,” he says. “Moving the processing very close to the data allows us to see 10- to 100-times performance gains against our competitors.”

Seamless on Day 1

And the appliance packaging means the system is very easy to install, maintain and run; the entire product is about the size of a refrigerator. “We can roll a

box off a loading dock, and within hours, load it up, plug it in and add data to it,” Winans says.

The implementation was “seamless,” Lindblom says. “We got it to work Day 1.” Ross ran it parallel to the previous system for a brief period to ensure the systems matched, and then went live in April. Since then, it has upgraded to a new version of the system for added responsiveness.

“It’s really a scalable system,” Lindblom says. “Our business, as an off-price retailer, is a little different from a traditional retailer.

“There’s a lot of focus on identifying trends and trying to chase those trends to increase sales and profitability. And having the data to be able to do that is key to our success.”

The way Winans sees it, however, Ross Stores has only “just begun to scratch the surface” of what the platform can do with the data.

“Some customers are interested in doing more one-on-one marketing, and others are expanding out to other application areas ... to see how good the return on their investment will be,” he says.

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