

Jo-Ann Stores crafts retail success with a creative, innovative IBM solution.



Overview

■ The Challenge

Understanding customer behaviour rapidly, accurately; managing very large data volumes effectively; providing management with timely, reliable information; squeezing inventory costs through better supply chain data

■ The Benefits

Flexible, cost-effective solution; ability to manage high database volumes and transaction loads with ease; retail-specific solution, enabling close fit with business needs

■ The Solution

Industry: Retail

Application: mySAP® Business Suite including SAP® for Retail

Hardware: IBM @server® zSeries®;

IBM @server pSeries®

Software: DB2® Universal

Database™

Services: IBM Global Services

“The partnership with IBM is essential to maintaining Jo-Ann Stores’ competitive edge, and IBM has a world of knowledge and services to assist us in reaching our goals.”

Walt Griffin, Director of IT, Jo-Ann Stores

Jo-Ann Stores, the US fabrics and crafts superstores, is associated with the very best of decorative and sewing products, and is one of America’s most admired retailers. The company started trading in 1943 from a single shop in Cleveland, Ohio, and now has almost 1,000 outlets, employing around 20,000 people.

In 1999 Jo-Ann Stores made its first investments in SAP, leading the way with automated stock replenishment based on sales data. Based on this success, in 2001 the company built a 630,000 sq ft centralised distribution centre in Visalia, California, further exploiting its SAP systems.

Starting the SAP project.

The original SAP R/3® implementation did not cover every part of Jo-Ann’s operations, and where SAP was not used, best-of-breed solutions were implemented. Walt Griffin, Director of IT, explains: “SAP was primarily a manufacturing solution, and retail is very, very different. Our challenge is to collect and analyse huge quantities of sales data and respond in a nimble, flexible way. When SAP announced its latest version with a retail-specific solution, we were keen to examine the possibilities.”

The challenge has not changed from the day of the original SAP R/3 implementation: improve customer service, increase inventory turns, improve gross margins and reduce inventory costs. The advent of the new SAP R/3 release presented an opportunity to migrate more of Jo-Ann’s operations to the SAP solution and take advantage of the enhanced SAP for Retail functionality. Jo-Ann Stores has also grown a significant Web presence, and integrating valuable sales data and customer buying patterns from online purchases is an important part of the company strategy.

SAP for Retail provides a portfolio of solutions designed specifically for the new retail environment. Combining supply chain logic with customer relationship management, SAP for Retail is designed to help optimise strategic partnerships, leverage customer data to exploit multiple sales channels, and integrate with the full mySAP Business Suite.

Superstores generate super-data.

Walt Griffin turned to IBM Global Services to examine the new SAP release and to consider the infrastructure needed to handle the Jo-Ann workload. With a core sales database of 2TB and around 70TB in transaction histories, sizing the database and application servers was not a trivial task. Jo-Ann Stores selected IBM DB2 information management software to manage the core database on IBM @server zSeries (starting off the implementation on IBM S/390® Model 2064-213 with 2035 MIPS). The application servers run on IBM @server pSeries (formerly the IBM RS/6000® systems).

“The original decision to go with IBM was not a roll of the dice or a guess: I know that IBM offers a tried and true solution that is very robust. There are not many systems that can handle our kinds of database volumes and application loads, and now we are moving to the latest SAP R/3 release, we are staying with IBM @server says Walt Griffin.

“I know that IBM offers a tried and true solution that is very robust. There are not many systems that can handle our kinds of database volumes and application loads. I’m pleased that IBM has offered Jo-Ann a lot of flexibility in this regard, giving us the power we need at a price that works.”

“In the future, we will definitely be addressing capacity on demand for our needs, rather than buying fixed capacity, and with new zSeries technologies we will be looking at dynamic capacity on demand, too.”



Crafting an on-demand solution.

Jo-Ann's sales follow the classic pre-Christmas peak. Selecting a system that can deal with highly seasonal spikes in demand and yet is not oversized for the remainder of the year is a classic conundrum.

“Jo-Ann has a heavy selling season toward the end of the year – but we do not want to buy and build an infrastructure specifically for this one period. The aim is to size the SAP applications to deal with this busy time and be affordable for the remainder of the year. I'm pleased that IBM has offered Jo-Ann a lot of flexibility in this regard, giving us the power we need at a price that works,” says Walt Griffin.

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Running deep.

Sizing the original infrastructure involved detailed planning work with IBM. Walt Griffin took four application servers on test before selecting four 24-way RS/6000 systems. The original vendor's recommendation had been to ‘run wide’ – that is, many small application servers. Strenuous testing and research with IBM showed that to achieve sub-second online response while running batch tasks simultaneously required a ‘run deep’ philosophy.

“At that time, IBM did not have an SAP for Retail implementation as large as Jo-Ann Stores,” says Walt Griffin. “SAP had all the experience in the world of manufacturing, but very little in terms of retailing – and I must stress how different retail is, especially for companies as large as Jo-Ann. When we started the project, there were a number of retailers ahead of Jo-Ann in SAP implementations, and we were in some ways hoping to ride on their coat-tails. Quite frankly, with assistance from IBM Global Services, I would say Jo-Ann ended up being something of a trailblazer as far as SAP and retail are concerned!”

IBM: a creative, innovative partner.

Jo-Ann Stores has had a relationship with IBM Global Services since the first SAP implementation, calling on specialised skills as and when necessary.

“IBM has a very good working relationship with Jo-Ann across the board. IBM brings a huge amount to the table, and there aren't many services in the world of IT that you cannot get from IBM or through one of their partners. This strength in depth is a key reason for Jo-Ann selecting IBM Global Services to help us create our SAP future,” comments Walt Griffin.

“I have been an IBM customer since 1972, and I know one of the things I can count on is for IBM to be creative and innovative, spending money on R&D. Wherever technology is today, I know IBM ensures that it can compete in that space, which is very important to a world-leading organisation such as Jo-Ann Stores. The partnership with IBM is essential to maintaining Jo-Ann Stores' competitive edge, and IBM has a world of knowledge and services to assist us in reaching our goals.”



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