

Case Study: REI

Advanced analytics solution dramatically reduces costs; increases sales, profits, and in-stock rates for retailer REI

“PivotLink marries up all this data in one place where people can get at it very, very easily. Looking at the data, we could see relationships we couldn’t see before. It was very empowering.”
— John Strother, Director of Logistics, Inventory & Planning

Founded in 1938 by a group of Pacific Northwest mountaineers, REI is now a national outdoor retail co-op dedicated to inspiring, educating, and outfitting its members and the community for outdoor adventure and stewardship. For 10 consecutive years, REI has been recognized by FORTUNE magazine as one of “100 Best Companies to Work for in America.”

Challenge

REI was looking for a business intelligence solution that would enable both employees and outside vendors to make more effective and profitable decisions. The retailer’s key requirement was to give multiple groups the ability to synthesize and drill into critical performance data:

- Largest-volume vendors — Analyze product performance
- Store managers — Uncover trends across stores and regions
- Merchandising employees — Optimize product mix
- Employees in finance, marketing, and human resources
— Analyze a variety of metrics to improve operational performance

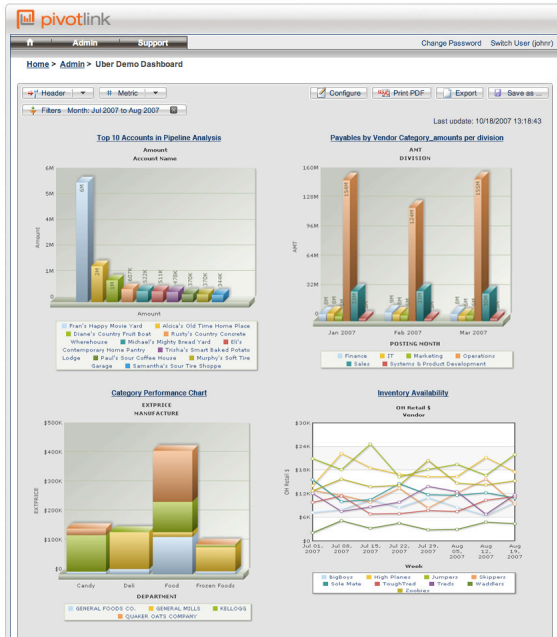
Solution

PivotLink solutions drive more effective decision-making by enabling business users to slice and dice data in any way they choose — that capability coupled with the solution’s affordability were key selling points for REI. According to John Strother, REI director of logistics, inventory, and planning, “We were able to fund 80 percent of the startup costs for PivotLink with the money we were already spending on maintenance fees for our existing system. Given the extra value that PivotLink brings, the remaining 20 percent was well worth it.”

BENEFITS SNAPSHOT

- 9% increase in sales, 1.6% increase in profit
- Improved buying decisions, in-stock rates
- Reports customizable by business users, on the fly
- Improved vendor communication, product performance
- High rate of user adoption and satisfaction
- No licensing fees, for maximum value

TEST DRIVE
your solution



The PivotLink solution:

- Clearly met REI's data analysis and access goals
- Accommodated the universe of users REI wanted to include
- Took hosting and maintenance out of the IT department's hands

PivotLink is used by 375 REI and vendor employees. Key functions of the PivotLink solution include:

- **Returns analysis for quality assurance.** "Quality assurance is a big deal at REI," said Strother. Due to safety issues inherent with outdoor products, they "analyze the reasons for returns very seriously."
- **In-stock analysis.** "We've definitely improved our in-stock rates since reporting via PivotLink," said business analyst Randy Mauk. "Now buying decisions are based on what's selling and what's not, instead of guesswork or loyalty to old products."

- **Comparisons.** REI also relies on PivotLink for numerous comparisons, including actual-to-budget, store/Web catalog sales, and store performance by square foot, department, region, and season.
- **Vendor scorecards.** More than 125 of REI's largest-volume suppliers review data on returns, invoice accuracy, on-time deliveries, and other valuable information.

Results

Everyone at REI agrees that PivotLink has won the hearts of both staff and suppliers by delivering large amounts of data quickly, presenting information in a consistent way, and allowing each person to slice and dice data at will.

"PivotLink marries up all data in one place where people can get at it very, very easily," said Strother. "Looking at the data, we could see relationships we couldn't see before. It was very empowering."

The PivotLink on-demand analytics solution provided the following benefits for REI:

- Reduced costs for critical performance analytics
- 9% increase in sales and 1.6% increase in profit
- Improved in-stock rates, resulting in more satisfied customers
- Buying decisions based on what's selling and what's not
- Ability for business users to slice and dice data any way they want
- Significantly improved communications with largest-volume suppliers

ABOUT PIVOTLINK

Bellevue, WA-based PivotLink is a privately held, rapidly growing company leading the industry in BI technology innovation. We pride ourselves on drastically reducing the cost and time required for implementing BI solutions. To learn more about our company and solutions, or to try PivotLink free for 30 days, visit us on the Web at www.pivotlink.com.

15325 SE 30th Place, Suite 300 · Bellevue, WA 98007
t: 425.460.1000 · f: 425.460.7780