



CLIENT SUCCESS STORY

CLIENT: Pergo

INDUSTRY: Manufacturing - decorative floor coverings

CHALLENGE: Key sales data was out-of-date and/or inaccessible, making accurate forecasting and product planning nearly impossible.

SOLUTION: Cygil custom built a Business Intelligence tool that accesses information from Pergo's EDI translator, FTP server, BI platform, customer call center, B2C web site, and rebate management system to provide accurate, detailed, current sales information to appropriate stakeholders.

OVERVIEW

The inventor of high quality laminate flooring, Pergo Inc.'s products are sold through 3,500 specialty retailers and Home Depot in 30 nations worldwide. Since its 1984 European introduction and 1994 U.S. launch, Pergo has been the market share leader in the laminate flooring category.

Like most organizations, their ability to accurately assess the market for their products and forecast demand depends on many people within the organization—sales, marketing, product design—having detailed information about what the point-of-sale retailers are buying from Pergo's distributors. This information was not being updated regularly or accurately, and the data was difficult to distribute and only offered in certain formats with very little opportunity for detailed analysis. To make matters worse, the information was being gathered with unsupported software that required license fees above and beyond Pergo's corporate standard software and increased the IT staff's maintenance burden.

Pergo's Specialty Channel Business Management (SCBM) group manages the specialty retailer channel and could see first hand how much time and money was being lost trying to collect and manage retail sales data through an inadequate and highly manual system. As a result, Pergo's American Management Team made the improvement of these processes a key objective for the entire Pergo organization in 2001. With executive support and funding in place, Pergo turned to Cygil for a solution. Employing a version of the Rational Unified Process (RUP), modified to suit agile programming practices, Cygil set about understanding the existing business processes and systems and the desired outcomes of a new retail sales data system.

SARA (Sales Analysis of Retail Accounts)

Both the nature of the business and the data demanded Cygil adopt the primary design guidelines of great modularity and flexibility. The new system would be accessed by multiple groups at Pergo with a variety of goals and it had to accommodate everything from well-formed EDI documents coming into GENTRAN to fixed field-length files arriving through FTP. Once the data was in-house, a complex and ever-changing set of business rules would be applied to validate the data.

Taking all of these variables into consideration, Cygil architected a solution of integrated applications. This confederation provides a broad spectrum of functionality to Pergo's users. As designed, the system—named "Sales Analysis of Retail Accounts" or SARA—interfaces with Pergo's EDI translator, FTP server, business intelligence platform, customer call center, business-to-consumer web site, and rebate management system.

Additionally, Cygil's architecture took aim at one of Pergo's IT headaches—unsupported technologies and licensing costs. Though Pergo had invested in Microsoft products as the corporate standard, the old retail sales data system relied on an Oracle database, thus requiring extra licenses and maintenance. Cygil's solution leveraged Pergo's investment in Microsoft products, allowing Pergo to jettison Oracle and house the new retail sales management system on SQL server.



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Cygil also called upon the recently released Microsoft BizTalk server as an integration and business rules validation platform. BizTalk applies business rules to the raw, inbound sales data and passes valid information into the SQL database for business use. For data that fails validation, BizTalk provides a web interface through which unit managers, not IT personnel, can manually intervene, correct the data, and resubmit it. Through this mechanism, BizTalk reduces demand on the IT staff and ensures the accuracy of the sales data. Automating the validation and integration of the data allowed retail sales data to be gathered daily, instead of the previous infrequent, manual updates.

As the master repository of retailers' names, addresses, and sales statistics, the SQL database at the heart of SARA pumps data out to the branches of Pergo that depend on retail sales data. It was designed for maximum efficiency and integrated with the Cognos business intelligence module used by Pergo.

Cygil created a web-based administrative console that offers users a quick and easy method of managing the retail sales data. Built using Active Server Pages, XML, and XSL, the console is the central portal to this retail sales data. Changes made to records through the console are sent to Telerx, Pergo's customer service call center. The console offers a flexible and robust search engine for locating specific records, as well as context-specific links to commonly accessed business intelligence reports.

Perhaps the largest improvement SARA provides is the rebate management module. In the old retail sales data system, the information necessary for collating manufacturer's rebate data was widely dispersed and often ruled by exception. It was a lengthy manual process to pull all of it together in an Excel spreadsheet. Now that all retailer data is consolidated in a single repository—SARA—the process of calculating rebate amounts based on the retailer and specific rebate program is completely automated, saving Pergo additional time and money.

RESULTS

SARA was successfully rolled out in November of 2001 and according to Stan Kurpiel, Pergo's CIO, "All levels of the business have deemed this an unequivocal success—from top management to data entry, from sales to marketing to distributors."

Several key and measurable benefits have been realized:

- 75% reduction in time required to run rebate reports
 - Ten times more strategic marketing and sales personnel with direct access to data
 - 33% labor reduction for specialty channel business to maintain retail sales data
 - Licensing costs related to this system for Oracle and DSS Agent eliminated
 - Additionally, SARA resulted in overall maintenance demand reduction on IT
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