



Overview

Customer challenge

Halsall Toys International (HTI) needed to manipulate the masses of sales data that it generated, so that all this key business intelligence could be used to give HTI an edge over rivals in its marketplace.

Solution

IBM Business Partner EnterpriseBI worked closely with HTI to implement an IBM Cognos® Solution that could produce the required business reports in real time.

Toy story

How real-times sales reports gave HTI an edge

Better business analytics has helped Halsall Toys International's management team gain a clearer understanding of the company, and make key improvements to its business model.

Back in 2007, the UK's biggest privately owned toy manufacturer and distributor, HTI, had a problem common to many high-volume companies. Although its business processes had been automated, and it was generating masses of highly useful sales data, it simply couldn't manipulate the information quickly enough to gain any competitive advantage over its rivals.

Based in the North of England, HTI supplies and manufactures toys for big brand names such as Disney's Toy Story, Peppa Pig and Hello Kitty, while selling into all major retailers, including Argos, Toys 'R' Us, Tesco and Asda. Established in 1952, it had grown steadily and now imports more than 5,000 containers of toys a year, has over 6,000 product lines and can dispatch in excess of 10,000 packages a day. This drives yearly sales of around 100 million toys, generating £65 million in turnover. However, HTI was convinced that tapping into its valuable sales data could provide it with a keener edge in a crowded market.

Seasonal flux

The toy business relies on the summer season and Christmas for its main source of revenue. Get your Christmas strategy right, and that can carry you through the rest of the year. Get it wrong, or fail to spot the must-have toy or craze of the season, and things can get problematic. What's more, unlike many businesses that can just call on more stock if there's a spike in demand, the prevalence of Far East toy manufacturing means it can take anything from three to four weeks to receive an order. So by the time the new stock arrives, Christmas could be over, or the order would have been fulfilled by another supplier, or replaced with another toy.

These huge peaks and troughs in demand plus the restocking time lag makes margin key to HTI, and the bigger it is, the better. Recognising this, HTI's management team identified that it needed to have a real-time view on the business to maximise margin, which was anything but the case in 2007.



Benefits

- Quicker access to key business and sales information in clear reports
 - A better understanding of the position of the business
 - More and deeper intelligence for the sales team to improve client handling
 - Effective measurement of key marketing activity
 - Freeing up more time for the IT team to focus on core skill projects
 - More confidence in changing and implementing the HTI business model.
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Too little, too late

All of HTI's transactions, orders and stock were handled by an Enterprise Resource Planning (ERP) system, which the business would then use to create standard reports. Unfortunately, the system simply couldn't handle the number of transactions, or produce the right kind of data that could be used by the business.

If the HTI board needed a report that couldn't be produced by the system, IT staff would be called on to create them individually, by exporting data into Microsoft® Excel spreadsheets and Access databases. These reports could not be produced immediately, and the figures gathered from multiple sources could cause inconsistency. Furthermore, they would only show the business' trading position six to eight weeks before, or on the date the report was requested.

Time for a change

John Lord, IT Director at HTI, was given the job of creating a new system, which would provide what he describes as "one version of the truth that could be maintained centrally," and could supply the real-time information that the business required.

Lord was familiar with IBM Cognos, having trialled the products in the past. In fact, he had always aimed to get IBM Cognos back into the business, and saw his new role as a key opportunity to do this. Consequently, Lord approached IBM Cognos, and was passed on to the company's local expert, Jamie Bell at EnterpriseBI.

Bell was asked to produce a demonstration system that would show what IBM Cognos could do using live HTI data. This took around eight weeks to build, and was a collaboration between both EnterpriseBI and Lord's team. The prototype produced created a data warehouse to contain all the data from the disparate systems around HTI, with EnterpriseBI advising on the implementation, using its detailed knowledge of IBM Cognos and Business Analytics Solutions to guide Lord's team. As Lord says: "We couldn't have got to where we are now without EnterpriseBI's help. The key to IBM Cognos is the data warehouse, as this drives the system."

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Solution Components

Software

- IBM Cognos 8 Business Intelligence

Services

- Requirements Gathering
 - Design
 - Data Warehouse build and Skills Transfer
 - Training
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A clearer view

Once the board and Lord were happy with the results that the prototype was producing, the system was then approved, and rolled out into the rest of the business over the next 18 months. The process included Lord and EnterpriseBI building in extra areas of reporting, and adding the sales and order systems into the data warehouse.

Delighted with the performance of the new IBM Cognos Solution, Lord explains that it has given HTI a better understanding of the business. “We can now see the information in the business much sooner, allowing us to act on key data on a daily basis,” he says. “In the past, we only found out about problems after the event. Now with IBM Cognos, we can spot any issues sooner and act on them.

“IBM Cognos gives us a clearer view of where the business is at,” Lord continues. “We now know the turnover and profit across every section of the company, so there are no surprises at the end of the month.”

Behind the benefits

One of the biggest advances that has been achieved through the new system is that HTI’s sales team now has a far better vision of the business. “They can see clearly where they are in real time with sales targets and forecasts compared to where they were in previous years,” says Lord. “IBM Cognos also allows them to ask ‘what if’ questions, such as: why is this customer buying a product when another isn’t? And it gives us the ability to drill-down to an individual transaction to see what’s going wrong.”

As well as producing reports for the business, the system also includes the ability to email reports directly to key HTI staff via their RIM BlackBerry mobile phones. It uses IBM Cognos 8’s Go! Mobile service (<http://www.ibm.com/software/data/cognos/products/cognos-8-go/mobile/>) to produce reports, and then automatically emails mobile-friendly versions to people like HTI’s Sales director and Managing director every Saturday morning.

Aside from helping HTI keep its finger on sales, stock and margins, the system has had another unexpected benefit. The company can now see the effect that tradeshow have on its sales, and has changed the way it does business accordingly. In the past, HTI exhibited at the major toy tradeshow and took orders at the events, but it wasn’t able to calculate the effectiveness of the shows. With IBM Cognos, the company can get an immediate understanding of an event’s effectiveness at generating sales, and, as a consequence, it now also invites a select number of retailers to its own offices to demonstrate new toys, rather than simply relying on tradeshow.

A liberating experience

The EnterpriseBI solution also frees Lord and his team from preparing the reports, as it includes training on the IBM Cognos Solutions, which they have been able to pass on other to HTI employees. “Now if anyone in HTI requires a report, they can go on to the IBM Cognos Solution and produce it themselves.”

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The new system has liberated Lord's team in other ways, and they are revelling in their newfound freedom. "With the IBM Cognos Solution, we don't have a maintenance overhead, which we did with our previous solutions, and we no longer need to cross-check the data. This has freed up our time, so we can concentrate on other IT projects," Lord explains.

"It has given us a stable system and consistency, so we know we're all reporting from the same information, and that's key," he continues. "If someone asks me a question, I know I can go to IBM Cognos and get the answer. More importantly, I know that it's correct."

► Halsall Toys International (HTI)

Established in 1952, HTI is the UK's largest independent designer and manufacturer of children's toys, with an international customer base of major retailers, a portfolio of hit brands, over £66m of sales and offices in the UK, Hong Kong and Germany.

From a small importer to the UK's largest designer and manufacturer of children's toys, HTI is a key supplier to retailers in more than 50 countries.

HTI's product portfolio includes some of the world's most recognisable brands, from Barbie and Peppa Pig to Hello Kitty, JCB and a string of Disney blockbusters including Toy Story and Disney Fairies. They also have an expanding portfolio of own label brands, such as vehicle range Teamsterz and role-play ranges Smart and Cosy Cottage.

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