

Consolidate Your Critical Data With BI

Delta Sonic's BI (business intelligence) solution improves its operational efficiencies and its marketing strategies.

by Vicki Amendola

Delta Sonic is a 28-location convenience store chain offering more than just gas and snacks. It also offers food service with dine-in eating options, as well as automotive services including full-service wash, detail, and lube. One simple question – “How are we doing?” – prompted the search for a BI solution.

Recognizing inefficient or improper staffing was one challenge the merchant faced, especially in the automotive services segment, where many employees operated on a call-in basis. “In the past, we had a lot of variability with how many people were working at any given time or how quickly we would respond if business picked up,” says Chris Boebel, director of IT at Delta Sonic. “What we lacked was the visibility needed to evaluate how efficiently employees were brought in and how quickly store management reacted to the need.”

It also was problematic for Delta Sonic to gather data from its various POS systems. “We have some very good POS systems, but the problem was that we ask a lot of questions of our data,” says Boebel. The unavailability of detailed, comparative reports made it difficult to analyze promotions or compare historical data. “Our ability to react to sales trends was hampered,” continued Boebel. “We wanted to ask questions that weren't offered by the canned reports. We wanted to go beyond ‘how much did I sell today?’”

Any sales data that was gathered got bogged down in a slow, inefficient sales reporting process. Every Saturday, sales reports would be generated, and the data would be entered into spreadsheets. “It was a never-ending chain of data entry that left plenty of opportunity for error,” says Boebel, “and it could be two or three weeks before data was organized and distributed.”

Delta Sonic met with multiple people within the company to determine their sources and uses of data. The merchant then engaged the services of a local consulting firm to assist in developing an RFP, and several BI vendors were brought in for demonstrations and review. Important requirements included the availability of a broad selection of tools for automation and integration, ease of use for a largely nontechnical staff, cost, and a road map for the future. The selection pool was narrowed to four before Cognos 8 BI was selected. “We went with Cognos because they were able to most closely meet our requirements,” says Boebel.

Implementation was accomplished in a phased approach, starting with the convenience and gas data and then moving to car wash data. Phase one was completed in four months, and phase two was completed four months after that. “We could now answer questions and perform analysis across all locations and profit centers,” says Boebel. After the first eight months, the merchant took a



Cognos 8 BI gave Delta Sonic the tools it needed to improve staffing, reporting, and trends analysis.

break to step back and review results. The next phase is in progress now and involves integrating the Cognos solution into the detailing and lube operations.

Business Intelligence Answers ‘How Are We Doing?’

When the owners of Delta Sonic were asking that question about their company, they wanted more than a one-word answer. They wanted to know how many cars had been washed in the last few minutes, hours, days, and so on. They wanted to know if staffing levels were appropriate. They wanted to know if employees punched in at the car wash were actually working the car wash and not the detail center. All of those questions and more could now be answered by using the Cognos product.

In response to staffing concerns, the merchant now uses its video surveillance system to compare live video with the Cognos statistics of employ-

ees who were 'on the clock' at any given time. "This resulted in a very high return in terms of labor management and optimization," says Boebel. Management uses this tool to ensure that everyone was working where they said they were and that all resources were allocated optimally.

Trends analysis tools were also part of the Cognos 8 BI solution, allowing Delta Sonic to react quickly to reallocate or replace inventory when needed. Boebel illustrates this point with the following example. The merchant stocked Pepsi products more prominently than Coke across the chain. "An analysis of 20-ounce bottles on a store-by-store basis revealed that Coke was outselling Pepsi at three store locations, even though it was not stocked as visibly," says Boebel. "We

were able to readjust inventory and reposition it in the store, and Coke sales went up." Similarly, marketing campaigns could be evaluated for cus-

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tomers response. A coupon book tested in one market identified that most people using the coupons were customers who had shopped at the store the previous year, and that those existing customers bought more and

returned to the store more often than customers who were new.

"Several automation projects are underway that, in the end, will allow us to reassign several full-time employees to more useful and meaningful work," says Boebel. The automation of manual processes eliminates the error-prone data entry of the sales process and speeds the sales reporting process.

"We're learning a lot more about our customers than we knew before," says Boebel. "Business intelligence has allowed us to look at how we approach our customers and what products and services we promote to develop our business. The information has empowered us to improve sales, margins, and customer frequency." □

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