



The Internet is More Than Just Fun and Games for Leading Toy Company

Selling toys isn't just child's play at K•B Toys, Inc. It's big business. With 1,300 outlets in the United States and Puerto Rico, facilitating communications between headquarters and field managers can be a real challenge. Using an e-business solution codeveloped with Lotus Premium Business Partner CFT Consulting, K•B Toys combines Lotus Domino and Lotus Notes with the DB2-based Information Delivery System (IDS). By creating a custom intranet site, CFT was able to meet the unique needs of K•B Toys, delivering the information necessary to make their business a virtual success.

“The implementation went much smoother than anticipated. Less than 5 percent of users found the system to be a challenge. This speaks to the ease of use of the Notes-IDS solution.”

—Steve Raimer, Manager of Emerging Technologies, K•B Toys, Inc.

“We were already a satisfied Lotus customer, and after speaking with solution providers and current Lotus Notes users, we were quite certain it was the right move for K•B,” says Steve Raimer, manager of Emerging Technologies at K•B Toys. “We were highly impressed with the mobility of Lotus Notes and knew the replication feature would save us both time and money.”

The Critical Factor

The old delivery system entailed weekly mailings of paper-based information that, due to a week-long mail cycle, was outdated when received. This information included business performance reports based on various profit-and-loss factors and field communications on upcoming promotional events and merchandising strategies.

“With our old system, it took up to two weeks for the field to receive vital information,” says Raimer. “With our new intranet, the field now has access to mission critical reports the same day that the reports are produced.”

In a highly competitive market, K•B's management found that the company's ability to respond to trends and create preemptive strikes was being restricted due to

Application	Corporate intranet using Web technology to facilitate communication between corporate office and retail stores
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Business Value	Increased information delivery from two weeks to one day
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Software	Lotus Domino Lotus Notes IBM DB2 IBM CICS
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its paper-based system. In an industry that is notoriously price sensitive — where the “hot” products and the ability to keep them on the shelf can make or break a season — timeliness is a critical success factor.



K•B Toys uses e-business to improve communication in the highly competitive toy industry.

While K•B's dissatisfaction with its old delivery system in part led to their decision to develop an intranet site, a desire to move to groupware and upgrade their current calender and scheduling system was also a key factor. Because they were already using Lotus cc:Mail and their parent company, Consolidated Stores (www.cnstore.com), was already a Lotus Notes user, K•B viewed a Lotus solution as the natural choice.

The New Intranet Takes Shape

Less than four months after identifying the need for a new system, the corporate intranet was introduced. Combining Notes with CICS over TCP/IP, the new Lotus Domino-based system allows district sales managers (DSMs) and regional sales directors (RSDs) in the field to securely access up-to-date, accurate sales and distribution information. Users access the IDS and e-mail from remote laptop clients running a Notes 4.5-based application.

Via nightly polling, the mainframe populates its DB2 database with sales, profit, and distribution data. Daily and weekly reporting runs off the data stored in DB2 files. Electronically tagged/addressed for distribution, report pages are then downloaded to Notes, which performs automated report bursting and distribution functions.

From laptop Notes clients, DSMs and RSDs dial into the corporate Notes server and log on using a password. The electronic report images reside in the IDS report database on the Notes corporate server. Using its bidirectional replication feature, Notes synchronizes the report images to the user. It distributes and routes requested report images to the user and tracks their progress. For messaging and e-mail, IDS uses the same Notes replication process as that of report distribution and access.

Back at the home office, K•B's intranet works much like the field application: everyone receives the information that relates directly to their work. The Name & Address Book, store profiles, inventory reports, sales results, customer demographics, calendaring, and human resources are all part of the system.

Rave Reviews

With the new system in place, K•B introduced it at the annual sales meeting in late first quarter 1997. K•B offered half-day training sessions with four separate groups, ranging from novice to expert users. Each session presented the same content at different speeds. During the training sessions, support stations were set up that allowed users to seek further assistance when necessary. K•B also encouraged employees to use the laptops after meeting hours. Initially, K•B expected users to fall on a 20-60-20 scale, with the first 20 percent representing employees who had no problem learning the new system, 60 percent encompassing users who needed a moderate degree of training, and the last 20 percent representing individuals who either resisted the new system or had difficulty transitioning to the new technology.

"The implementation went much smoother than we anticipated. Less than 5 percent of our users have found the new system to be a challenge," says Raimer. "This far exceeds the 20 percent we had initially expected and speaks to the ease of use of the Notes-IDS solution and to the flexibility that our field associates showed during the transition. We were pleausably impressed by both."

Continuing Success

K•B's Domino-based Web site (www.kbtoys.com) includes company profiles, store locations, and product information, as well as electronic coupons. K•B currently uses the site to drive traffic to the store. While K•B does not currently sell their products over the Internet, according to Raimer it is an avenue worth investigating.

In the meantime, K•B will concentrate on the further rollout of its Notes-IDS intranet. In 1998, store managers will have access to information that is vital to the continuing success of K•B Toys. Raimer concludes, "We'll do what it takes to keep our people connected to the information that helps them do their jobs. Notes and IDS are key strategic tools for us. Everything that simplifies, takes away distractions, and helps keep the focus on profitability supports our mission. That's what this system is all about."

For more information please contact your

IBM Marketing Representative or
IBM Business Partner.

Visit our Web sites at:

www.ibm.com/e-business
www.lotus.com

For more information on K•B Toys and
Consolidated Stores, visit their Web sites at:

www.kbtoys.com
www.cnstore.com



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