

Cotton Traders improves retail sales, service and operations with Cisco intelligent retail network

EXECUTIVE SUMMARY	
CUSTOMER NAME	· Cotton Traders
LOCATION	· Altrincham, Cheshire
INDUSTRY	· Retail
COMPANY SIZE	· 700 employees
BUSINESS CHALLENGE	<ul style="list-style-type: none"> · Business opening new retail outlets at a rate of eighteen a year · Overcoming slow and poor communication between head office, distribution and retail outlets · Difficult to obtain up-to-date sales and inventory information
NETWORK SOLUTION	<ul style="list-style-type: none"> · Cisco Intelligent Retail Network · Cisco wired and wireless foundation networking technologies
BUSINESS VALUE	<ul style="list-style-type: none"> · Improves in store sales and customer service · Provides company-wide, real-time picture of sales and revenues · Cuts time taken to process credit cards by 80 per cent · Enables more accurate stock control and distribution management · Delivers a return on investment in under three years

A Cisco Intelligent Retail network has enabled Cotton Traders, one of the UK's best known leisurewear retailers, to manage a dramatic increase in retail outlets by improving in store sales and services, and inventory control.

Business Challenge

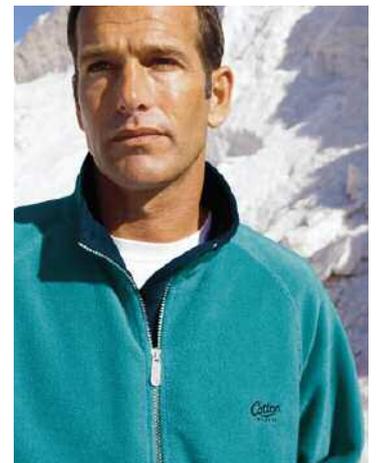
Cotton Traders was founded in 1987 by two former England rugby captains – Fran Cotton and Steve Smith. Working from a small room next to Altrincham Railway Station supplying quality rugby shirts by mail order, they grew the business to £2 million turnover in just two years.

Today, Cotton Traders has grown to achieve an annual turnover in excess of £65 million, with more than 700 employees across the UK and many more employed worldwide by its suppliers. The company's mail order business now has over two million customers on its database, 25 different catalogue editions and it despatches more than 100,000 parcels a month. The product range has expanded from the original rugby shirts to include quality leisurewear and casual clothes for both men and women, plus footwear, household textiles, accessories and more.

The business has also expanded to include a retail arm. Over a seven-year period Cotton Traders increased its retail outlets from 10 to 60, and now has 80 stores. But the business was growing faster than the supporting infrastructure and communication to and from shops was slow and susceptible to errors. Information from tills in retail shops to head office and to the company's bank to authorise credit cards was based on slow (56k)

fax modems which were unable to cope with the increasing volume of data or complexity of information that needed to be exchanged. As the number of shops increased and the volume of sales and stock information increased, the overnight period to send and receive this information became restricted. If there were problems, IT staff would have to go to the shops to sort it out. Some of the problems were very basic, such as a sales assistant unplugging a modem to use another appliance and not realising the tills or credit authorisation would not work properly without the modem.

"As a result of fast business growth, our existing communications system could not cope and we were experiencing problems with phone lines that could result in missing sales figures for days at a time while issues were investigated. This would then have a knock-on effect for accounts, who were finding the sales figures were incorrect; for distribution, who had did not have the right information soon enough to distribute stock; and for IT, who were trying to get the problems resolved," says John Day, IT manager for Cotton Traders.



Network Solution

Cotton Traders' solution to improving data and information exchange was to deploy a Cisco Intelligent Retail Network (IRN), implemented by Cisco Premier Partner SICL Ltd. The solution comprises a Cisco LAN (Local Area Network) at the company's head office in Cheshire connected via a Cisco WAN (Wide Area Network) to its distribution centre in Leeds and wireless Windows-based tills in its 80 retail stores. Cisco networking security technology is used to protect the company's systems and applications. The solution has replaced Cotton Traders' entire data communications infrastructure which had been based on telephone lines and modems.



The Cisco IRN also integrates with other business applications, such as the company's SAP enterprise resource planning (ERP) system, so processes such as ordering and managing stock to and from stores can be automated by communicating orders and delivery notes electronically.

Day says, "At Cotton Traders we only install what in my opinion is best-of-breed, whether it's software or hardware and in my opinion Cisco is the best-of-breed when it comes to network infrastructure. Therefore, all of Cotton Traders' network infrastructure is Cisco end-to-end."

SICL was commissioned to redesign and upgrade Cotton Traders' head office and distribution centre. SICL was then involved in planning and extending the network to the 80 plus retail stores. SICL worked with Cotton Traders to assess costs, benefits and risks. The result was a project that was delivered successfully and completed on time and within budget. SICL also provides Cotton Traders with 24/7 support.

Business Results

The Cisco infrastructure has had a significant impact on helping Cotton Traders improve sales and customer facing operations in retail outlets and improve accounting and inventory management across the whole business. As well as better information and data exchange, the Cisco infrastructure also provides Cotton Traders with a foundation that makes it quick and easy to deploy other innovative applications and services that help to improve business operations further.

Through efficiency improvements and cost savings, Cotton Traders expects the Cisco technology pay for itself in less than three years.

"Cisco's Intelligent Retail Network has enabled Cotton Traders to streamline several business operations, make business decisions faster and improve customer satisfaction. Customers get a better experience, sales are better and our staff are more productive because we can now deliver the right information to the right people anywhere in the organisation," says Day.

Because the Cisco infrastructure enables data to be exchanged and shared between retail stores and head office much faster and at any time, Cotton Traders is able to see a more accurate and real-time picture of its sales and financial situation. This also allows the company to make business decisions faster, because the information used to make those decisions is more concurrent.

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In stores, it is now possible to process a credit card authorisation in just five seconds compared to the 20 seconds it used to take. This means that queues at tills are reduced and customers get a faster service, which had been a particular problem at peak times around Christmas and on Bank Holidays.

PRODUCT LIST

Routing and Switching

- Cisco 2801 Integrated Services Router
- Cisco 877 Integrated Services Router

Security and VPN

- Cisco PIX 500 Series Security Appliances
- Cisco ASA 5500 Series Adaptive Security Appliances

Better access to stock information is also helping to improve service to customers and increase sales in stores. If one store does not have an item requested by a customer, staff can quickly access an inventory of the entire company and locate the item at another, order it, or get it sent directly to the customer.

According to Day, more up-to-date and accurate stock information communicated around the organisation via the Cisco network also means "having the right stock at the right place at the right time". Cotton Traders can spot

trends and needs faster – such as one product selling better than others or selling better in different locations – and ensure the right stock is delivered to retail outlets when it is needed. This eliminates over or under stocking in stores and ensures the company is not buying too few or too many products.

Before deploying the Cisco solution, it was only possible to send each store a limited inventory list, because of the low bandwidth. This meant individual stores only had a view of its own stock and a partial view of stock in the warehouse.

The Cisco infrastructure also allows Cotton Traders to introduce new applications which further improve sales and operations. Tills in the stores are directly connected to Cotton Traders back office systems so when in-store staff record a customer's details on the till, the information is sent to head office and a catalogue is sent to the customer's home. The company is also planning to use the Cisco network to support an email system and access to the corporate Intranet so staff can send and receive emails, access promotional material, deal with employee issues and access health and safety documents all via in-store tills.



Where the previous system was constantly failing – often because of human error – the Cisco infrastructure is much more robust. This has significantly reduced wasted time in stores while staff tried to deal with the problem and reduced IT staff time spent visiting stores.



Americas Headquarters
Cisco Systems, Inc.
170 West Tasman Drive
San Jose, CA 95134-1706
USA
www.cisco.com
Tel: 408 526-4000
800 553-NETS (6387)
Fax: 408 527-0883

Asia Pacific Headquarters
Cisco Systems, Inc.
168 Robinson Road
#28-01 Capital Tower
Singapore 068912
www.cisco.com
Tel: +65 6317 7777
Fax: +65 6317 7799

Europe Headquarters
Cisco Systems International BV
Haarlerbergpark
Haarlerbergweg 13-19
1101 CH Amsterdam
The Netherlands
www-europe.cisco.com
Tel: +31 0 800 020 0791
Fax: +31 0 20 357 1100

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