

THE Carphone Warehouse*...for a better mobile life***FAST FACTS****CUSTOMER**

The Carphone Warehouse plc

CHALLENGE

Revolutionise the company's financial reporting to provide daily performance data across the fast-growing retail and telecommunications operations within the business.

INFORMATICA SOLUTION

Informatica PowerCenter

BENEFITS

- Fast, current analysis of financial performance down to individual store and individual customer level
- Increased gross margins by 3% by adjusting sales strategies in response to financial performance information
- Reduced operating costs for financial reporting through enhanced management of data integration processes

Using data integration to power an extensive financial reporting system that supports increased business profitability

“Informatica’s data integration solutions have enabled us to better manage our business each day and to enhance its overall performance. The visibility we now have, thanks to daily sales reports that are produced by consolidating immense volumes of data, gives our business the ability to function more effectively and be more profitable.”

—Brian Ganly, Data Warehouse Architect, The Carphone Warehouse

The Carphone Warehouse is one of the UK’s most successful telecommunications businesses. It now combines a retail operation across 11 countries with an extensive and growing telecommunications services business. Today it is Europe’s leading independent mobile communications retailer, with a turnover of £2,220 million in 2005.

The Challenge

As The Carphone Warehouse has grown, it has created an enormous, daily need for accurate financial performance data to be provided across its businesses. The need to know how sales are faring across the product and service range is of paramount concern for everyone from store managers on the retail side to the chief financial officer. Given the large numbers of customers that the company has and the volume of products or services that any one of them may be using at any one time, the volume of complex sales data created is enormous.

In particular, The Carphone Warehouse has grown its operations rapidly in recent years through its acquisitions of services companies such as Talk Talk and Opal Telecom. With the non-retail side of its operations now representing a sizeable portion of the overall company, the type of sales data that is collated every day has diversified as well as accelerated. For example, the services side of the company has to collate, analyse and act on sales data from both subscription and pre-pay customers, which have very different commercial models and different reporting considerations.

The self-interest in financial performance is therefore a requirement held by many personnel, across the organisation. While the Chief Financial Officer (CFO) ultimately takes the data from the sales reporting process and uses it to produce the annual financial reports, services managers need to use it to identify ways of enhancing sales to existing and potential customers, and in-store retail managers are bonused according to the financial success of each store, so need a daily picture of performance.

In 2001, The Carphone Warehouse introduced an organisation-wide datawarehousing initiative. The company selected Oracle databases running on IBM hardware, but was then faced with the question of how best to share data across the organisation and integrate disparate data sources to provide meaningful business information. When the datawarehouse was conceived, the company began operating a monthly sales reporting cycle. However as rapid growth continued, the company decided that it needed to introduce a smarter, accurate daily reporting process that provided the right information to everyone in the company who needed it.

The Solution

"We knew that slicker financial reporting could enable the company to improve gross margins and in doing so save money by streamlining the process we used to collate and report our sales information," said Brian Ganly, Data Warehouse Architect for The Carphone Warehouse. "It came down to this: we needed to supply a single version of the truth to all our people who needed to know."

The Carphone Warehouse assessed several solutions for providing the level of data integration required to deliver the sophistication of financial reporting it envisioned. The fundamental role of the data integration solution was to ensure that data residing in the company's Oracle datawarehouse could be extracted, integrated and supplied in the required reporting format rapidly every day. Moreover, it had to do it in accordance with a 24 hour reporting cycle that had minimal impact on the company's overall IT performance.

When it selected Informatica PowerCenter, The Carphone Warehouse found it to be the most comprehensive and powerful solution for integrating large volumes and multiple types of data, and also represented best value for the data integration project overall. For example, by using one set of mappings the software developers were able to reuse their approach to interfacing with every environment that needed to be included in the reporting framework.

"Our UK-based chief financial officer was personally involved in the specifications of the project as he is ultimately responsible for the company's financial reporting," said Mr Ganly. "What we have achieved is the complete integration of business data into a reporting environment. We know now precisely what shape our financial performance is in, anywhere and at any time."

The Results

Using PowerCenter, The Carphone Warehouse now delivers a daily financial reporting system for use by anyone in the company who needs to do so. While senior management may want the overall picture, the system is also applied at retail store level so that managers can see their sales picture as it develops.

"What has resulted is a financial reporting system that people throughout the company depend upon and know they can trust," said Mr Ganly. "It gives us tremendous visibility over how we are performing as a company, and it helps us to manage things like product stock levels – our sales data is so current that it can assist with other areas of our operations too."

The immediate return of the investment has been the 3% increase in gross margins for the overall business that has been driven by

improved financial reporting. However, the system has developed value throughout the organisation because of the way that many staff have come to rely on it every day.

"PowerCenter is both a financial reporting and a productivity tool for The Carphone Warehouse," said Mr Ganly. "The financial improvements are clear, and the knock-on effect is that we are driving greater productivity out of each area of operations as we can make the right business decisions faster and stop doing things if they aren't making us enough money."

"The greatest indication of the success of the project for me is that we now absolutely cannot do without it. It is the system that makes our operations tick every day. If it didn't work, everyone who relies on it would be complaining instantly, and that just shows how much it helps us to drive our business," he said.

NUTS AND BOLTS

- **Data Integration:** Informatica
- **Sources:** In-house retail system, 10,000 users across Europe, Oracle; In-house insurance system, Oracle and SQL Server; In-house inventory management system, Oracle; Flat files from billing systems; Other various systems such as Nectar, IVR
- **Target:** Oracle and Netezza NPS 8250
- **Platform:** IBM P650 8 CPUs 32GB RAM, 1/2 tb Storage, AIX 5.2

INFORMATICA[®]
The Data Integration Company™

Worldwide Headquarters, 100 Cardinal Way, Redwood City, CA 94063, USA
phone: 650.385.5000 fax: 650.385.5500 toll-free in the US: 1.800.653.3871 www.informatica.com

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