

Solution Providers



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Finding the Solution

IBM offers streamlined solutions personalized to help retailers transform their businesses and deliver superior shopping experiences. **BY STEPHANIE CRETS**



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IBM is making the lives of retailers and shoppers easier with solutions that address critical business needs. Vice President and CTO Vish Ganapathy describes the retail solutions as a “streamlining

imperative” in three areas.

First, retailers can deliver superior shopping experiences by understanding, connecting and engaging with their customers to provide timely, relevant and personalized messages and offers. Second, retailers can build an efficient merchandising and supply chain system that allows them to anticipate and meet the needs of customers. Lastly, retailers can transform and optimize their operations – from administration and human resources to IT and business management – to improve performance and efficiency.

“Our software-based solutions are the biggest value,” Ganapathy explains. “We provide a single digital engine for commerce, marketing and order management and help retailers integrate large merchandising and supply chain systems. In addition to these highly intelligent solutions, we have predictive analytics and price optimization. This makes retail operations more efficient and allows retailers to make more informed decisions. We have a wide variety of solutions for each of our three imperatives.”

The key to each of these areas and the solutions overall is analytics. IBM strives to inject analytics to make its solutions



different from other software-based companies. For example, IBM worked with a large department store retailer to create a buy-online/pick-up-in-store platform a couple years ago. The company wanted to leverage the store as an extension of its supply chain. IBM took the company’s management platform and built a self-optimizing algorithm to be implemented into its predictive analytics engine.

The overall goal for this customer was reducing costs to serve and optimize labor while also differentiating how to move inventory from less profitable stores to fulfill customer orders in more profitable areas. The solution also took various constraints into account, such as how much inventory is available and the price of the products. IBM looked at the constraints, including the cost to ship to customers and when they need it by, and created the right predictive analytics solution to meet the retailer’s business and service goals.

“We’re not trying to do everything for everybody; we’re trying to take specific

problems experienced by clients and provide them with tailored solutions,” Ganapathy says. “Every solution has a significant portion of analytics embedded in it to solve the clients’ specific problems. Our job is figuring out the right offers for customers so retailers and customers can have a better experience.”

Opportunities Await

Because every retailer is uniquely different, IBM addresses needs individually and recommends the best options. IBM’s solutions provide full function and are easily extensible, creating a great opportunity for both IBM and its customers.

“Our challenge is: How do we increase the value of implementing something for a customer?” Ganapathy says. “From a customer perspective, retailers don’t spend a lot of money on IT. Most of the money is used in retailing for status quo to keep the lights on. So how do we provide innovations that allow them to do more with less? We’re creating outcome-based solutions allowing

retailers to reap benefits without much of the upfront investment.”

IBM tackles many of these challenges by working closely with partners and integrating their systems with its own. This customized innovation roadmap allows for highly differentiated capabilities and makes all the solutions more sophisticated. “We are not trying to be wall-to-wall one thing; we are trying to be precise and offer personalized solutions,” Ganapathy adds. “We are building better, more relevant solutions since it is a combination of our software, our partners’ software and services, all supported by a layer of analytics.”

Now, with so much innovation happening for IBM, the company is doubling down on its industry solutions strategies to become a cognitive cloud company. This means implementing more sophisticated analytics and machine learning through cloud-based networks. “Our focus continues to go by industry, and we are seeing a tremendous amount of synergy across industries,” Ganapathy notes.

Ganapathy sees the future of retail changing tremendously, even in the next few years. He says virtual and augmented reality will become a mainstream method to conduct online shopping. In addition, he sees lines blurring between retailers and people in the business of retailing. For example, companies like Apple are in the business of retailing to improve the customer experience and make products more user friendly, which has been vastly successful.

“We at IBM are excited about the level of growth in intelligence that systems incorporate to make them smarter and better,” Ganapathy says. “Touch points are growing exponentially, as well. There is a lot to get excited about. The future of retailing is going to change tremendously, and I think retailers will be forced to adapt. If they can’t differentiate themselves, they’ll lag behind so they need to innovate and leap forward.” 📱



IBM is focused on offering precise, personalized solutions to its clients. It wants to become a cognitive cloud company by implementing more sophisticated analytics and machine learning.

