

# Levy Home Entertainment

Turns a New Page With WebFOCUS


## Leading Book Wholesaler Boosts Competitive Edge With Novel BI Environment

By accessing current business information and sharing it with suppliers, Levy Home Entertainment is vaulting to the top of its industry. The premier distributor of paperback and hardcover books used the Information Builders WebFOCUS business intelligence (BI) platform to build a self-service reporting environment that has increased transparency, efficiency, and cost-savings throughout the organization. With intuitive dashboards and easy-to-use reports at their fingertips, Levy's key decision-makers are cutting supply-chain costs, tightening up inefficiencies, and providing enhanced services to national retailers like Target, Wal-Mart, and Toys "R" Us.

The benefits of enhanced reporting haven't stopped within Levy's internal operations. By extending current sales data to publishers, Levy has established an edge over other wholesalers. Its new Publisher Portal provides instant information about which titles are selling, along with the ability to track purchase orders and gauge inventory shortfalls – information that its partners can't get anywhere else.

"Now that we have access to all of this data, we are making more informed decisions," contends Marty Wehrle, Levy's senior vice president and chief information officer. "This means doing less re-work and solving fewer problems."

In an economic environment where every dollar counts, being able to analyze accurate information and make quick decisions is crucial to corporate



The Levy Home Entertainment team includes, from left, Director of Business Analytics Kyle Marx, CIO Marty Wehrle, Director of Application Development Jim Oddo, CFO Steve Carlson, and Sr. Project Leader Eddie Alexander.

## Snapshot

### Organization

With more than \$600 million in annual sales, Levy Home Entertainment is the nation's premier distributor of paperback and hardcover books to America's finest retailers.

### Challenge

Use data stored in disparate legacy systems to create comprehensive and reliable information that can be shared, analyzed, and distributed throughout the organization – and beyond.

### Strategy

Build a new reporting system that directly accesses production data without having to build, manage, and maintain a data warehouse. Create self-service reports and dashboards to encourage independence among managers and partners.

### Results

A powerful reporting system that serves the sales, marketing, and warehouse groups within Levy's organization, along with a unique portal that gives more than 300 publishing partners instant visibility into sales and inventory information.

### Information Builders Solution

WebFOCUS, Education, and Professional Services.

growth, profitability, and sometimes even survival. For Levy, being able to analyze data at this level without the expense of developing and managing an enterprise data warehouse is a breakthrough.

“Accurate information can set you free,” declares Steve Carlson, senior vice president and chief financial officer for Levy. “We have used WebFOCUS to put a new face on our legacy technology environment and our entire organization is reaping the benefits.”

### Editing an Outdated System

As the premier distributor of books to some of America’s largest retailers, Levy manages the middle of the literary supply chain, including warehousing, packing, shipping, and in-store merchandising. Until recently, however, its custom-built information systems were making it difficult to quickly access data and develop ad hoc reports.

“Like so many companies today, we had people walking into meetings with sales numbers from the same time period that didn’t match,” explains Carlson. “It was apparent for a long time that we needed to get to a point where we all had the same numbers, and we were confident in those numbers. In order to have that occur, we need to have one extraction platform. Until that happened, any business intelligence analysis couldn’t really move forward.”

Carlson and Wehrle sought to revolutionize the way Levy collects, reports, analyzes, and distributes information. Other key players in the reporting initiative included Kyle Marx, director of business analytics; Jim Oddo, director of IT application development; and Eddie Alexander, systems architect.

The team feared that creating an enterprise BI environment would be time-consuming and cumbersome, partly as a result of previous experience with data warehouse projects. Levy depends on a diverse set of IBM AS/400-based business applications for order management, inventory management, warehouse management, finance, human resources, payroll, and other critical business functions. These applications were developed and deployed over many years, leading to poor integration and a tremendous amount of data redundancy.

“We wanted to get to the information-production stage very quickly,” says Wehrle. “Information Builders enabled us to access the data and create meaningful reports almost immediately. They showed us how we could jump to the end result quicker by directly accessing the data in our production systems and creating intermediate data stores for reporting.”

### Publishing Accurate Information

Levy retained Information Builders Professional Services to help them fast-track the enterprise-wide business intelligence project. The consultants suggested extracting information from the operational databases and creating Microsoft SQL Server databases as staging places for generating reports for various domains, including sales and marketing, finance, inventory, and warehouse management. Levy’s management found this federated “no warehouse” approach to be particularly attractive. Using this architecture, Levy produced six BI dashboards in six months – three with help from Information Builders Professional Services and three internally.



Thanks to steady mentorship from Professional Services consultants and various training programs from Information Builders Education, which Levy’s analysts attended while getting WebFOCUS off the ground, the team faced a surprisingly short learning curve with the BI environment. “Information Builders Professional Services helped us install the software and create the initial dashboards and reports,” says Wehrle. “We couldn’t be happier with the consulting and education services.”

Carlson concurs: “I was amazed at the progress we made, especially within the first 90 to 120 days. Our time to market was greatly advanced by choosing this solution and dedicating the appropriate internal and external resources.”

As a wholesaler, Levy relies heavily on sales reports and warehouse reports to determine which titles are selling well and which picking lines are performing efficiently. By issuing two phases of reports in each



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of these areas, the company constructed a versatile reporting system that consolidates data on the fly. The new Publisher Portal gives more than 300 partners visibility into Levy’s sales and inventory data.

WebFOCUS is currently delivering information to every area of Levy’s organization. For example, WebFOCUS sales reports organize information from more than 10,000 retail locations every day to provide insight into which titles are moving. From John Grisham’s bestselling novels to Dr. Seuss’ classic children’s books, all sales are tracked, logged, and compared among stores.

Meanwhile, warehouse managers use WebFOCUS to analyze the performance of Levy’s distribution centers – improving the efficiency of picking and packing operations to ensure inventory reaches retailers expeditiously. Users can drill down from a particular line within a distribution center to view

performance metrics such as cost per hour or cost per package. The data is never stale since it is extracted from Levy’s operational systems.

Levy plans to integrate WebFOCUS with a Microsoft .NET application that supports 2,000 merchandisers who service the stores. Developers will create a single sign-on process to pass security credentials from .NET to WebFOCUS so these employees can generate reports from the familiar merchandising environment. “WebFOCUS is very flexible and can easily adapt to fit our needs,” Marx says. “We can tie together these two frameworks and still handle security without additional maintenance.”

### Spreading the Word to Partners

Sharing information hasn’t just tightened up internal operations. Levy is also leveraging its new BI environment to gain a competitive advantage over other book wholesalers. Its external-facing Publisher Portal provides valuable information to the companies that supply Levy with books, such as which titles are selling, where, and in what quantities.

“Our reporting portal provides publishers with information that they can’t get anywhere else in the industry nearly as quickly,” says Carlson. “This puts us in a completely different light with our partners.”

It also makes Levy’s internal analysts more efficient. In the past, Levy would buy products from publishers and then furnish them with hard-copy reports detailing how their titles were performing in stores. These reports used to take days to produce. Now partners help themselves to the information whenever they need it. Instead of asking an analyst for a report and

waiting to get the information, publishers can log in whenever they want and run a couple of queries on the BI dashboard to obtain instant answers. “Publishers are more likely to work with us because we are giving them access to this information,” Wehrle explains.

According to Marx, there are currently 35 partners using the Publisher Portal. By the end of 2009, he expects there will be 300 active users.

Levy employees used to spend about 40 hours each week generating reports for publishers. Now that external users are helping themselves to the information, Levy’s business analysts are more efficient. Carlson predicts that these two advancements represent the efforts of two to three full-time employees.

Looking ahead, Levy plans to create a retail portal to provide visibility to downstream partners as well. For example, retailers could see real-time information about which titles are selling and which books Levy has in stock. This data would enable them to plan their receipts and inventory from Levy and have a positive impact up and down the supply chain. “Most retailers already have their own internal portals so we need to demonstrate that we can provide additional information and value,” Marx concedes.

Levy recently upgraded to WebFOCUS 7.6.6 to take advantage of Google Maps and Adobe Flex technologies. Levy plans to use Google Maps to help managers monitor sales performance by region and to track which of its 2,000 merchandisers are assigned

to each store. Levy is also planning to use Adobe Flex to add visual appeal to its executive dashboard.

“WebFOCUS Flex Enable will help us to depict critical business operations, including warehouse, supply chain, marketing, sales, and field service,” says Marx. “We can highlight key facts and figures as well as alert users to important issues in a very appealing way.”

### A Bestselling BI Environment

From competitive advantages with partners to enhanced visibility into sales data and increased awareness of warehouse efficiency, Levy is experiencing an information revolution throughout its organization. Dozens of people throughout the company now use WebFOCUS. Once the BI environment is fully deployed, approximately 180 users will rely on the reports, from the CEO to line-of-business managers – along with hundreds of external users.

“In the past, we were data rich and information poor,” Wehrle sums up. “Now that we’ve implemented WebFOCUS, we are data rich and information rich. We are a very transparent company, and we believe that if everyone in our supply chain can see pertinent information, the entire organization will become more efficient.” 🌀

## A Team Effort

By Bob Gabriel

Information Builders Professional Services played a key role in helping Levy’s senior management solve a fundamental IT issue: ensuring the accurate management, flow, and delivery of information throughout the enterprise.

After conducting a week-long Solution Assessment with key Levy executives, the Professional Services group identified many areas within the Levy organization where lack of timely and accurate data was a problem. Once these problems had been clearly identified, Professional Services spearheaded a project to implement a targeted sales dashboard. The effort was well received, and Levy is now able to deliver accurate information to its sales team. Completing this project quickly boosted confidence in the WebFOCUS platform.

Next Professional Services helped Levy build a Publisher Portal for its external clients. This self-service reporting system helps Levy track and assess

critical client information, simplifying vendor support and strengthening customer relationships.

“Our work at Levy is a model for how to correctly collaborate with a customer to execute management’s vision,” reports Bob Gabriel, senior vice president of Professional Services at Information Builders. “Levy executives were involved throughout the project, from the start of the Solution Assessment to the rollout of the reports. We were privileged to be able to help them identify their business issues and devise solutions to eliminate data management and reporting problems. It is very satisfying to be able to meet a client’s expectations and deliver benefits that are greater than they anticipated.”

Bob Gabriel is Vice President of Professional Services for Information Builders.