



#### Company Details

With annual sales revenues of €3.8 billion in 2003 and more than 1.5 million loyalty card holders in France, Fnac is part of the Pinault-Printemps-Redoute group, the 20th largest retailer in Europe. It services 15 million customers through more than 100 stores located in the high streets and large shopping centres.

#### Location

- Italy, Switzerland, France and Belgium

#### Industry

- Retail

#### Business Challenges

- Global Expansion as a strategic priority – To make 30% of its total sales abroad by 2005
- Reduce time and costs for opening new stores abroad
- Flexible and Scalable Package to run Fnac business

#### SOLUTION OVERVIEW

- Fnac-in-a-Box is the blueprint for international expansion incorporating business processes, best practices and technology for running store activities
- Common Multi-product Integrated Application Architecture
- Convergence for global deployment

*"Fnac-in-a-Box (FIB) was a shift for us, allowing a dramatic reduction in the time and effort required to open new stores across geographies. This model relies on SeeBeyond and includes managing processes, implementing best practice and best-of-breed applications with demonstrable results. Using FIB we were able to launch our operations in Italy and Switzerland on time. Nowadays, the process is repeatable anytime, anywhere, as recently completed in Belgium and for Surcouf, Fnac's subsidiary dedicated to the computer products mass market."*

**Jérôme Marchandiau**, Architecture Manager, Fnac

#### Business Challenges

Known as the "ambassador of culture" since 1954, Fnac is one of the most successful Retailers in Europe. The company focuses on distributing cultural and leisure products, including books, music and consumer electronics, as well as providing ticket services. In addition to its retail business, Fnac is involved in cultural activities with more than 15,000 in-store forum events held per year.

In 1999, PPR Group decided to extend its international strategy to include Fnac. Up until then the retailer relied on several silo-based applications to run its business. Although those applications were functionally rich, they were developed in-house using various technologies and were not suitable to be rolled out globally in line with Fnac's global expansion plans. Fnac needed an "out of the box" solution to run in every store which was flexible, scalable and easy to deploy.

#### Solution Overview

In January 2000, Fnac started a major initiative with the Fnac-in-a-Box project. It consisted of building a European global information system aimed at centralising the organisation; substituting the legacy systems used in France with new ones suitable for international operations. This would enable the rapid opening of new stores in new countries. It would also cover channel management and customer relationship management in addition to the supply chain area.

*"Our international strategy is very aggressive. We are continuously looking to strengthen our current markets as well as to open new stores in key countries. This was the primary driver for building a common package leveraging best practices, boosting the process and allowing for a quick deployment,"* explained **Gerard de Sede**, International Director for Fnac.

FIB includes all components required for running Fnac's core business: organisations, processes, methodologies, applications and technology. Accenture helped with the design, build, and implementation as well as with running pilots in Italy and Switzerland, based on an overestimation of the load expected for the crucial weeks leading up to Christmas.

FIB relies on a single infrastructure managing replenishment and logistics through back- and front-office systems, involving customer

loyalty and customer order management, data mining and data warehousing. It also provides a flexible foundation for item maintenance, deal management, pricing, promotion, replenishment, inventory management, stock valuation, stock ledger and invoice matching.

SeeBeyond eGate Integrator was used for the development and the maintenance of the 60 critical business processes supporting the core activities of stores abroad. It translates the business processes into 80 technical flows for each country, and manages them for every store between various components, including commercial packaged software such as Retek Merchandising System (RMS), SAP FI/CO, Symag POS system, as well as in-house developed applications such as front-office systems, three different Warehouse Management Systems, a sort application and a pricing label system.

#### Business Benefits

Fnac kicked-off its FIB in October 2000 with the opening of its first store in Milan. The rollout took just 10 months from beginning to end. With the success encountered in Milan, the company opened a second store in Geneva the following month. FIB enables Fnac to rapidly open a new store in three months instead of the six months previously required. FIB has been deployed in five stores in Italy, four in Switzerland, and six in Belgium with linear scalability depending on the number of stores. Furthermore, in September 2002, FIB was expanded to Fnac's French subsidiary, Surcouf stores, which sells a wide range of computer products.

By leveraging best-of-breed applications including both commercial packaged applications such as Retek and SAP as well as bespoke applications, Fnac has introduced a reliable common infrastructure for new stores and operations to carry on its aggressive international expansion. In addition, through FIB, Fnac has found a common model with streamlined business processes used across geographies and brands, relying on the same applications and technologies operating over a common network.

Through convergence and the centralisation, FIB has also demonstrated valuable gains in IT maintenance and production. The reliability of the solution minimises the number of incidents for stores and enhances the quality of service delivered by the central IT team. Additionally, only two people are required for the maintenance and administration tasks of the whole solution.

*"The main challenge with FIB was to centralise an architecture that has to be distributed due to the nature of our business. The SeeBeyond distributed architecture allowed us to put this project in place at reduced costs and time through the standardisation and reuse of processes. Additionally, the full visibility and the guaranteed message delivery brought by SeeBeyond have improved the quality of service for our operations abroad."* **Jérôme Marchandiau**, Architecture Manager, Fnac

#### Business Benefits

- Reduced costs per store opening
- Time to market reduced by 50%
- Common streamlined business processes across geographies, stores and brands
- IT maintenance and operations savings through centralisation
- Enhanced quality of service for end users

#### Technology Profile

##### SeeBeyond Components

- eGate™ Integrator

#### Integrations

- Retek RMS
- SAP R/3 FI CO
- Symag POS System
- MS SQL Server 7/2000
- Oracle/Unix
- Microstrategy
- Business Objects
- IBM Tivoli

#### Sizing

- From 400,000 to 1.2 million Product References per country
- 300,000 messages per day for store replenishment
- 20,000 receipts per day per store

#### Hardware OS

- Sun Enterprise 4500 2 CPUs
- Sun Solaris