

IT works

One of the biggest department stores in the UK no longer worries about losing money when customers cancel orders for home furnishings. Working with CSC, the store installed business process management (BPM) software that has saved £2 million a year by slashing the time it takes a cancellation to reach the factory by more than two-thirds.

What used to happen when customers canceled

Mr. and Mrs. Smith walk into the company's store in, say, Liverpool, and see a sofa they think would be perfect for their sitting room. They order one delivered to their house, pay a 10 percent deposit, and leave to have lunch on Slater Street.

Ten days later they change their minds. "We'd prefer a leather sofa," they tell the store clerk. "So please cancel our other order."

The Smiths get the sofa they wanted, but the store gets stuck with the sofa they didn't want. By the time the customers change their minds, the factory has nearly finished building the original sofa and tells the store it is too late to cancel. The store then has to buy the sofa and try to recover part of the cost by selling it as a marked-down floor sample.

If the factory had received the cancellation sooner, it could have stopped work on the original order before investing time and money in it. But it used to take three days or more for a paper cancellation order to move from the store clerk in Liverpool to the head office in London to the sofa factory.

To speed up that process, the department store went to CSC to install Action Technologies BPM software and train store employees in how to use it.

What happens now when customers cancel

Mr. and Mrs. Smith call the store in Liverpool to change their order to a leather sofa and the store clerk still sends a cancellation order to the head office. But that order can now reach the factory in less than one day. Depending on how quickly the head office acts, it can reach the factory in a matter of hours or minutes.

How will the cancellation be handled in the head office? That's the crucial point. If the head office doesn't act quickly, the Liverpool store will still get stuck with the unwanted sofa.

That's why the BPM software provides an audit trail when tasks are passed from person to person. If someone at the head office fails to act quickly, the Liverpool store can still avoid paying for the unwanted sofa by pointing to the audit trail to prove it was not responsible for the delay.

The BPM software is a huge hit with store employees. The head office is so pleased it wants to use the software to support other business processes in home furnishings and extend it to other departments. ○

The Smiths got the sofa they wanted, but the store got stuck with the sofa they didn't want.

