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CATEGORY: Business Intelligence

REVIEWER: Lisa Bechtold, director of financial reporting for American Eagle Outfitters.

BACKGROUND: American Eagle Outfitters (AEO) is a leading lifestyle retailer that designs, markets and sells its own brand of relaxed, casual clothing for 15 to 25 year-olds, providing high-quality merchandise at affordable prices. This rapidly growing, \$1.5 billion public company has more than 800 stores in the U.S., Puerto Rico and Canada. AEO also operates via its Internet business.

PLATFORMS: Application/Web Server: IBM xSeries 232, Dual Intel 1.2 GHz with 2GB RAM, Windows 2000 Server and SP4. Database Server: IBM xSeries 345, Quad Intel 2.8 GHz with 4GB RAM, Windows 2000 Server and SP4.

PROBLEM SOLVED: The retail industry poses special challenges, specifically related to retail accounting. We needed a solution that could be adapted to these unique business needs. We wanted to put ourselves in the shoes of our department heads and reengineer the whole thought process behind budgeting. Consequently, we needed a corporate performance management solution with superior functionality, flexibility and ease of use that could be a catalyst to improve the process. Our previous budgeting and planning system process was cumbersome, piecemeal and time-consuming. We were using Hyperion Pillar software for a part of the process along with Excel spreadsheets, making budgets difficult to review and consolidate. Also, we had to manually upload the budgets to our Lawson general ledger. The semi-annual process consumed at least six months per year. Adding to the challenge was that we had recently revamped our reporting process. It was imperative that the CPM solution could integrate with existing financial reports. Our goal was to create a self-service environment that made performance manage-

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ment information real time and readily available to the user community.

PRODUCT FUNCTIONALITY: With the use of Clarity Performance Management (CPM) we no longer have to spend all our time pulling information together. We can spend more time on analysis and challenging the budgets. Additionally, the self-service environment that CPM created provides our user community the following tools: Web-based budget templates and financial reports, detailed drill reports, hierarchy security, detailed travel planning, capital asset planning, detailed HR planning, workflow tracking and detailed audit trail.

STRENGTHS: Clarity Performance Management Suite is exceptionally flexible and easy to customize. We are impressed with its ability to be tailored to our specific retail business needs. The feedback from our users on both the ease of use and information available on the system has been positive.

WEAKNESSES: The Template Builder, although powerful in functionality, required a three-day training class and technical knowledge to be maximized. Workflow can only be tied to one scenario, inhibiting our ability to monitor multiple active scenarios.

SELECTION CRITERIA: Initially we had spoken with several CPM vendors, but it was Clarity Performance Management that could most easily integrate with our existing Essbase reporting system. When Clarity showed us their CPM product demo and told us we could customize it, they were right. We were looking for a robust planning solution that would meet our complex business requirements, and Clarity delivered.

DELIVERABLES: Through the Clarity Performance Management tool, we are producing budget summary and detail reports that department heads use to review their department budgets. This has made the review and approval phase of our budgeting process very streamlined. Additionally, we are just beginning to produce self-serve reports for our user community that will provide real-time data and the ability to track actual expenses against their budget. The benefits of this are yet to be realized, but it puts powerful information in the hands of the decision-makers at AEO. We are encouraging them to use this information throughout the month to guide spending decisions.

VENDOR SUPPORT: We were impressed with the smooth transition process. From the beginning, Clarity actively listened to the challenges we faced in trying to implement a system of this magnitude and complexity. In no time, we had the product we were looking for that met our functionality requirements. Although we haven't needed much additional support, Clarity has been quick to respond to any questions.

DOCUMENTATION: The documentation for the product is comprehensive and easy to understand.