



## Global Luxury Brand Retailer Significantly Improves Store IT Operations While Reducing Costs By Over 60%

### CLIENT PROFILE

Private equity backed, high-end fashion clothing retailer headquartered in New York with 58 stores in major US metropolitan areas, and two corporate locations in New York's Prestigious Fifth Avenue Promenade and in the heart of Los Angeles Entertainment Mecca. The client offers a life style brand of core clothing components that compliment and build a fashion profile to cater to Jet Set class of consumers.

### BUSINESS CHALLENGE

The company was founded in 2004 and quickly built itself up to be a high-end brand with an eye towards growth. Having secured financial backing from Sun Capital Partners, the client was initially brought under the umbrella of its former parent company, where its initial expansion into major cities started.

In 2013 the company filed to go partially public, and was also spun out of its parent company, forcing them to stand on its own, implementing new processes, technologies and back office models to support its business.

As part of the spin-off, some of the major IT initiatives included the implementation of new infrastructure in the cloud and the ERP/POS applications. During this new IT setup and planning, several partners were brought on board to handle a brand new ERP implementation, causing major confusion, business disruption and general end-user and store dissatisfaction.



Strong headwinds in the retail space wreaked havoc upon the business bottom line, and high turnover caused heavy intellectual capital losses in the overall operation of the business and IT systems. In summary, the company was facing major issues with:

- ▶ System reliability
- ▶ Poor System performance
- ▶ IT Cost Overruns
- ▶ Multiple Network Failures
- ▶ Complicated Solutions in excess of the business requirements
- ▶ Poor [partnership between IT and Business](#) Teams
- ▶ No single point of contact for the stores to report issues

### Store IT Support

From a store perspective, there was not a truly, centralized team to report IT issues being experienced at the store. In addition, issues reported were not tracked properly and there were [no common Service Levels](#) for the resolution of these incidents or completion of requests. There was almost no visibility from client's management team on the performance of the stores and the type of problems they were dealing with.

### Infrastructure Support

The backend infrastructure, running in [Microsoft Azure Cloud](#) and a MPLS network, was implemented using complex setups and no true redundancy. All stores each region (east or west coast) were dependent on the corporate site on its region, making it a single point of failure. If the main site on a region was unavailable (i.e. carrier issue), then network routes and system access would have to be manually modified to restore store connectivity to the business applications. These changes took over two hours, impacting sales and revenue from the sites.

Data management and reporting was also an issue. Stores were impacted by heavy reporting being generated and management did not have timely access to key data and reports needed to make decisions. Our client deployed SQL databases to maintain this data but the implementation lacked optimization and proper redundancy configuration.

Having had less than desirable results with previous partners, Auxis was contracted to run the [IT Infrastructure Operations](#), and perform a realignment of the environment to improve performance of its ERP system, improve the reliability of the network at its stores, and reduce overall costs.



## SOLUTION

Auxis proposed main overarching initiatives to help meet the immediate needs of the business and improve the IT operations:

As part of the engagement transition, the first priority for Auxis was to document and implement the proper IT Governance and Operational best practices processes to support the organization. Auxis also documented all supported components in the environment and made it available to the IT team.

### > Service Desk Implementation:

- ▶ Auxis implemented a strong [7x24x365 Service Desk](#) for the stores to report issues. As a Level 1 support responsibilities, Auxis Outsourcing Center in Costa Rica effectively coordinates and escalates issues that are managed by other vendors, having the store focusing on selling and not on spending time deciding which vendor to contact or troubleshooting over the phone.

### > Infrastructure Implementation:

- ▶ Auxis team implemented strong monitoring tools to detect health and availability failures in the environment. Using its 7x24x365 [NOC](#), Auxis was able to proactively address system alerts, avoiding or reducing down time for critical applications.
- ▶ Auxis Windows team implemented a recurring monthly patching process to ensure all Windows servers were up-to-date with all available Security patches.
- ▶ To protect data and its recovery, Auxis Storage team reviewed and improved the backup process for all servers and networking devices with daily monitoring of all jobs status for consistency.
- ▶ Auxis worked with the ERP partners to lock down an over provisioned access to backend systems, clean up security roles, simplify the management of the systems to achieve full Sox compliance, and provide IT ownership of the environment. This increased overall [Security and compliance](#) but in addition, improved the support of the backend systems.
- ▶ Auxis also looked to implement several robust network configurations, including full automatic (it was manual and complex prior to Auxis) fail over redundancy and improvement of MPLS circuits at the store locations, azure secure connect/express route to remove single points of failure, and ensure the sites are able to operate 365 days a year.
- ▶ Auxis SQL team worked with other business application vendors to optimize the SQL environment, provide proper data redundancy and high availability. The Auxis team implemented a robust SQL maintenance plan to improve running times for queries and jobs.
- ▶ Lastly, we instituted a comprehensive plan to work with utilization metrics and find the correct sizing for the environment. Looking at data metrics to reduce expensive machines that are underutilized and add the appropriate additional resources where performance was suffering.



## RESULTS

Auxis was brought into a very challenging environment with multiple major system outages, application performance issues, lack of IT documentation, and missing security controls to ensure smooth operation. Since entering into the environment, we have achieved the following results:



Implemented a strong IT metric mechanism to provide visibility to client management on how IT is performing



**Reduced the waiting time** for stores to report issues in **less than 30 seconds**



**Reduced Abandoned calls** to the service desk to **less than 2%**



Configured Full Failover capability of Networking platform – This was instituted and as a result the outages and downtime to the networking infrastructure have almost completely disappeared.



Implemented improvements with ERP partners, which have yielded significant **performance increase in the ERP system**. Performance slowness that once brought store transactions to a crawl has been identified and eradicated to ensure customers can complete transactions with ease and without disruption. The stores are now selling very well, and have just come off the heels of a very successful holiday shopping season.



Identified and **reduced overruns cost in the Cloud environment**



Lockdown Security permissions and radically improved IT general controls for compliance and regulation requirements.



Established key partnership with the business leaders, and improved the standing of the IT teams within the business.



**Redesigned Store Infrastructure to reduce costs by 66%**, increased security, increased security, reduced setup time, and improved reliability

