



Dillard's, Inc.

Xerox delivers processes that improve functionality, save time, and cut costs for a leading retailer.

“Xerox uncovered a number of opportunities for us in their initial in-depth assessment. As our needs evolve, they’ve been able to respond with the appropriate insights and services. It’s great to have them with us on our process-improvement journey.”

Kent Wiley,
Vice President,
Training and Support,
Dillard's, Inc.

Delivering the goods for a new business style.

Dillard's, Inc., teams up with Xerox to improve document efficiencies while enhancing information flow between its corporate office and nationwide stores.



Phase I: The Challenge

The Dillard's philosophy has always focused on the customer, relying on the most basic rule of selling: find out what your customer wants and offer it to them. But Kent Wiley, vice president of training and support, was keenly aware that there were inefficiencies in Dillard's day-to-day business operations. "People at headquarters and in the stores just kept copying documents, thousands and thousands of pages a day, and a lot of that was wasted," says Wiley.

Paper-based hiring processes generated much of that waste. When a Dillard's associate is hired, more than 20 different forms must be completed and stored. In a company that hires 10,000-plus sales associates in a year, that's a tremendous paper load.

Client Profile

In the fiercely competitive world of retail sales, Dillard's, Inc. enjoys a quality rarely found—a sense of family. Over 60 years ago, William Dillard established the first Dillard's in Nashville, Arkansas. From those humble beginnings, the company has become one of the most successful retail chains in the U.S., operating 329 stores in 29 states and generating sales of more than \$7.8 billion. And at the company's Little Rock, Arkansas, headquarters, the Dillard family is still active at the helm.

William Dillard II is now CEO, and his brother Alex serves as the company's president. Other family members sit on the board of directors and hold executive positions. As a result, the Dillard's culture values family connections. It's not hard to find employees who have been with the company happily for years; and official job titles in some areas are not deemed necessary. The Dillard's, Inc. teams are clearly focused on one thing—ensuring intelligent growth and profitability for their company.

On top of that, legacy systems for producing and distributing merchandising signs couldn't keep pace with the increasing needs from more than 300 store teams. Providing appropriate up-to-date training materials for store personnel was also a costly process, as was the way headquarters received, processed, and tracked accounts payable invoices from their stores.

"We had identified a number of areas for improvement. What we needed was a partner to help us implement the most beneficial solutions," remembers Wiley. "We turned to Xerox for their analytical expertise."

The Solution

Xerox conducted an Office Document Assessment to provide an in-depth and accurate picture of Dillard's business processes—and what they were costing. The Xerox team interviewed dozens of people and, with the help of Dillard's employees, collected reams of samples of the ways that documents were used and produced. They studied print shop production processes and prepared cost/volume analyses for store signage and hiring practices.

From there, Xerox and Dillard's worked together to develop a comprehensive plan for completely transforming business processes, including a cost analysis and saving hypothesis that clearly showed the financial benefits of adopting new technologies.

According to Kent Wiley, "Alex Dillard only took one day to decide to go with Xerox's recommendations. He's a visionary. He easily saw how we could benefit."

As the new backbone for document production, Dillard's installed 473 Document Centre® multifunction networked systems to replace old analog copiers, stand-alone printers, and fax machines at retail outlets, divisions, and headquarters. In addition, Xerox DocuColor® 2060 Digital Color Presses were installed to handle traditional offset production needs. Then Dillard's quickly adopted DocuShare®, Xerox document repository software, and Xerox FlowPort® image routing software to help them completely digitize key business processes.

The Results

Store managers now use Dillard's Web-based DocuShare document repository for immediate access to thousands of merchandise toppers (i.e., signs that are placed on top of the merchandise displays that indicate special pricing). They print what they need right at the store. For eye-catching, full-color "key item" signs, Dillard's used its DocuColor 2060 Digital Color Presses to print on demand (POD), which slashed costs from \$1.54 per print to 28 cents.

Dillard's extended the technology solution to improve other processes, as well. Store managers go online to their DocuShare "New Hiring Packet" folder to print clear, crisp, and up-to-date original forms as needed. Accounting teams use Xerox FlowPort image routing software to scan paper invoices directly into accounts payable systems, completely eliminating the time-consuming, microfiche processes of the past. And corporate training teams post new learning materials to online DocuShare folders for store managers to retrieve and print—a huge improvement over routinely shipping 350 packets of hard-copy information to the field.

Phase II: The Challenge

Following the success of phase I, Dillard's focused on additional ways to enhance its document processes. One area that they identified for improvement was the distribution of merchandise directives. These directives gave each store new product information, including specific instructions on display set up, signage placement, and other requirements to

"We knew we were being inefficient in the way we managed and used documents. But we were busy working on our business. We needed help in figuring out better ways of using technology. The recommendations from Xerox solved some big business problems and easily justified the costs."

*Kent Wiley,
Vice President,
Training and Support,
Dillard's, Inc.*

assure quality and consistency across stores. Because these directives were using more and more color, including digital photographs, the resulting file sizes were too large to transmit electronically. So they were printed every month in Fort Worth, Texas and mailed out in multiple versions to accommodate the various store configurations. The process took three weeks without flexibility for last-minute updates.

To resolve the problem, Dillard's wanted to give each store access to a color output device, but that led to additional concerns related to controlling color outputs and associated costs. Color newspaper ads, for example, only needed to be output in black and white for sales associates to reference for the latest advertising initiatives. The use of color, as well as volume of copies needed, would have to be monitored.

For information on the advanced solutions and services that Xerox can provide, visit www.xerox.com/globalservices or call 1-800-ASK-XEROX ext. 948.

The Solution

Dillard's replaced their black-and-white Document Centres with Xerox WorkCentre™ Pro color multi-function devices and put software in place for remote management of in-store equipment. Reports are now accessed online, including the number of copies and type—even identifying who made the copies—so the corporate office can monitor and assess document output.

To handle larger file sizes, servers were installed at each store. Replication software at the corporate office enables simultaneous same-day transmission of files. Each store can now view and download files that previously they could not even access.

At the corporate headquarters in Ft. Worth, a Xerox® iGen3® 110 Digital Production Press was installed to replace the multiple Xerox DocuColor® 2060 Digital Color Presses. With the ability to output nearly twice as many impressions per hour and handle multiple stocks, the iGen3 increases productivity and versatility while providing offset-quality results.

The Results

With remote access to equipment usage, Dillard's is uncovering trends and anomalies in document output. Among other things, the system has revealed that one store is making 60,000 copies more than any other store. Armed with this data, Dillard's continues to push the envelope in standardizing processes and minimizing outputs.

While merchandise toppers are printed at each store, key-item signs are produced at Dillard's centralized production print center. The iGen3 Digital Production Press, which is the flagship of this all-digital facility, provides significant savings in the production of superior quality signage. "We call our signs 'silent salespeople'," says Bob Siebert, store manager at Little Rock's McCain Mall Dillard's. "Our color signs have photographic quality now."

The iGen3 system is used for customer mailings, as well, and provides the opportunity for one-to-one personalization for future initiatives.

With electronic transmission of merchandising directives, the lead time for production has been drastically reduced as have the costs of paper and postage. The new digital process also dramatically enhances flexibility. "If something new comes out," says Wiley, "we can have it to our stores tomorrow."

Meanwhile, the DocuShare system continues to inspire new initiatives. "Our store managers use it to share images taken of their displays," says Wiley. "This gives us quick dissemination of best practices directly from the people who initiated them to the people who can benefit the most from them."

Dillard's has expanded accounting applications as well. Expense invoices scanned and entered via FlowPort are being viewed and approved online.

CASE STUDY SNAPSHOT

The Challenges:

- *Managing a comprehensive examination of business processes*
- *Providing in-depth analyses of actual costs of current processes*
- *Creating a new vision for doing business*

The Solution:

- *Xerox Office Document Assessment*
- *Strategy Implementation*

The Results:

- *Factual data for informed executive decision-making*
- *Thorough plan and blueprint for change*
- *Detailed cost analysis and savings hypothesis*
- *Streamlined document-handling processes that save time and money*

Loaded automatically into Dillard's ledger system, this process eliminates manual keying—saving time and money while increasing accuracy.

Looking back at the transformation at Dillard's, Kent Wiley says, "We've increased functionality, saved time, and cut our costs. Now we have the opportunity to do things we never could before."