



British Heart Foundation
positioning itself for a healthy future

"We want to be able to sell products through whichever channel to market will achieve the highest value. We've a lot of different store formats and online options, and with more visibility and systems capability it would make life easier for our teams and raise more money to fight heart disease."

Mike Taylor, Retail Director BHF

Rapid Growth

From continued investment in retail operations

The British Heart Foundation (BHF) Retail Division has grown rapidly since it was founded just over 30 years ago, and although it could to a limited degree continue to manage with its existing technology infrastructure, its management recognises that overhauling its Epos systems to best-in-class will position it for a much brighter future.

The organisation recently embarked on a comprehensive technology project – Retail Management System Programme (RMSP) - overseen by Mike Taylor, Retail Director at BHF, which will ensure it stays competitive in the retail marketplace.

"We could just about manage to get through with our current systems - if the world did not change - but the fact is it's changing so much that we need to have a product that can cope with all that is happening.

We believe Microsoft Dynamics delivered by Microsoft gold partner K3 Retail as a combination will give us the resources to embrace the new opportunities that are coming up in the next 10 years and beyond. The new system will position us as best-in-class and keep us there," he explains.



Continually investing

Part of the reason BHF has managed to grow much bigger than other often more longer-established charity retailers is because it has continually invested in the retail operation and the RMSF project is a reflection of its desire to continue to set the pace in charity retail thought leadership.

"By some significant margin we're the biggest UK charity retailer because we've invested in shop-fits, and in systems and technology, as well as employing more paid people (3,200) and supported by 20,000 fantastic volunteers. We've currently got an EPoS that can provide us with a suite of reports and manage the current operation, and it is not dissimilar to that of many of the major multiple retailers so we don't yet have any issue of being at a disadvantage in the market. It's more about us wanting to advance our capabilities," suggests Taylor.

With this mix of channels there has been recognition that to maximise the value of the various goods being sold there needs to be a more unified approach to the company's underlying technology infrastructure.

Complexity of business

This is certainly a big challenge as the organisation has a high level of complexity. It comprises 730 outlets of which the footprint goes from as little as 500 sq ft up to a seriously large 15,000 sq ft. Of these outlets 560 are high street Shops offering a core mix of clothing, accessories, DVDs and books and 175 are large furniture stores that include former Woolworths, CO-OP food stores and BHS units as well as retail park sites.

Within these stores approximately 85% - 90% of the goods on offer will have been donated (from individuals and corporate donors). Taylor points out that the new goods are typically added in to "round out the offer" in the larger furniture stores: "We sell 50,000 beds a year and some people do not want the mattress that is included but want to instead buy a different one so we need to have some new ones in the shop. We also add in cushions and rugs and we always have more tables than chairs donated so we need to 'dress' the tables with bought-in chairs."

BHF also has a growing presence on eBay where it looks to sell some of the potentially more valuable items that it receives from donors. In addition, it has an online store that only sells new goods, which have the BHF logo on them such as Christmas cards and clothing items including cycling tops.

Maximising channel values

With this mix of channels there has been recognition that to maximise the value of the various goods being sold there needs to be a more unified approach to the company's underlying technology infrastructure. BHF has increasingly wanted to have the flexibility to sell goods down the channel through which it is likely to generate most revenue for its charitable requirements. "We want to be able to sell products through whichever channel to market will achieve the highest value. We've a lot of different store formats and online options, and with more visibility and systems capability it would make life easier for our teams and raise more money to fight heart disease. The more customer eyes we get on products, the more value we'll get for it. As much as 20% of eBay sales go overseas, which shows the size of the potential market if we can use the best channels to sell our goods," suggests Taylor.

System review undertaken

BHF recognised that to achieve these desires required a review of the business and the replacement of its existing suite of IT systems that had been in place for over 10 years. "We realised we wanted a unified single platform, and this coincided with our till hardware requiring an update," Taylor says.

A complete review of the market was undertaken, based on detailed business requirements it had put together, and a selection process was kick-started. A shortlist was then drawn up and a final selection of vendors made. The project was signed off in April 2017 with K3 Retail the chosen partner in the project. "Their product (software) is what you are fundamentally buying and the experience they have with other charities as well as the sheer size of their retail business (including homewares and fashion) all made K3 Retail the right choice," says Taylor.

The initial part of the 18-month project involves a five-month long solution design phase ahead of building the solution (including testing and piloting) and then the deployment of the technology across the BHF business. Taylor has been very careful that the project does not get hamstrung by having too few resources committed to the exercise: "We've put lots of resources into it from our side and K3 have on their side too. We've put together a team comprising some people who have been taken out of their day jobs while others have been recruited specially for the project – including project managers and system architects. You've got to do these things right. The [key] potential cause of failure is under resourced projects. We did not want to do it that way."



Value of single view of stock

One fundamental, wide-reaching benefit of the new solution will be the single view of inventory - "one version of the truth" – it gives BHF across its retail business. "There is currently lots of hand-cranking in the offices using Excel spreadsheets to keep track of stock. There is inefficiency in the business that is creating lots of work at store level. They have to manually collate data and this requires time spent in the back office, which is classic inefficiency and we want to eradicate this," he explains.

Having the new solution will make it significantly easier to allocate products unique bar codes as well as stock file codes and for this information to then be utilised across the business. At present new goods brought into the business have such codes, and big ticket donated items are also given them – with the key reason being traceability so we understand what we have at a point in time, and try to ensure they are always in the correct place. "We want a higher proportion of donated goods to be given unique codes and to be able to then view them at category levels across stores. We will be able to find ways to identify and single out items for selling down specific channels (such as eBay or Gumtree). This will significantly improve the management of goods," he explains.

Utilising greater item visibility

Having the greater number of items given the codes and for this inventory information to be made visible across the company will bring multiple benefits. For new goods there will be the opportunity to do promotions like mix and match multibuy offers on Christmas cards or Furniture. There will also be a much greater opportunity to grow the level of business on eBay because visibility of stock across BHF and a better integration between eBay and the retail outlets will help the company list more items on the marketplace. Even though Taylor reveals eBay is an expanding part of its business with several million pounds of sales generated per year, and a team that has grown from two people to 56 in 4 years, he says there is a lot more potential to be had from using the platform.

"There is always a risk that some of our donated treasure is being sold below the real market value because of lack of specialist knowledge, or the footfall is wrong where it's being sold. The new system will enable the listing of even more things on eBay," he says, adding that it is a similar story with the BHF online store where a single view of the stock will enable goods to be added to the site much more easily.

Further benefits are expected to accrue from the decision by BHF to take a cloud-based approach to its implementation, whereby it will have it hosted by K3 Starcom, part of the K3 Group. Such actions will undoubtedly place BHF in a strong position to achieving its aim of competing strongly with the rest of the retail industry that sits within a constantly changing landscape.

K3 Retail partners with businesses to provide connected technologies, which ensure retailers can reach their goals now and in the future.

We intelligently apply our technology to make retailers' lives easier and businesses more successful with tools designed to forever meet consumer demands.

We support more than 800 national and international retail brands.

Labels from Sue Ryder to Heals, Ryman and Ted Baker are able to pursue their business goals backed by the expertise of K3 Retail. Part of the K3 Business Technology Group, K3 Retail is a Microsoft Gold Certified Partner and the UK's #1 Microsoft Dynamics partner.

The new possible to meet the new demand.

0845 055 6231
k3retail.com

k3 retail 
the new possible