

CASE STUDY

Ann Taylor Uses Intelligent Network Infrastructure

Ann Taylor Uses Intelligent Network Infrastructure to Connect Hundreds of Nationwide Locations and Facilitate Rapid Growth

Article Summary:

U.S.-based apparel retailer Ann Taylor is using Cisco® networking technology to improve service and increase sales at hundreds of stores across the country. The reliability, versatility, and scalability of the Cisco network infrastructure is helping the company to better integrate its sales channels and transform retail locations into more efficient, unified operations.

Background

Ann Taylor is a billion-dollar apparel retailer dedicated to providing modern professional women with fashionable career and leisure attire. Headquartered in New York City, the company operates more than 600 Ann Taylor, Ann Taylor Loft, and Ann Taylor Factory stores across the United States and in Puerto Rico.

Ann Taylor recently embarked on an aggressive growth plan, expanding from 400 to 600 stores in just three years. The long-term success of this expansion depends directly on the company's ability to accurately track sales and inventory information across the entire enterprise, integrate sales efforts from multiple channels, and rapidly deploy information systems to new and existing stores.

Challenge

Despite operating small, high-end boutiques with relatively small staffs, Ann Taylor has thrived for nearly half a century by providing its customers with superior clothing and customer service. However, the company's executive team was not satisfied to simply maintain the status quo, and wanted to aggressively grow the size of the company over the next decade. To continue differentiating itself as a customer service leader, management knew that all Ann Taylor stores and sales channels would need to be more closely connected and efficient than ever before. And the company's existing business systems and networks were simply not up to the task.

Under the old system, stores received nationwide sales and inventory data that was frequently out of date or incomplete. If a sales associate wanted to find an out-of-stock garment at another store, for example, the system could not be relied on to provide accurate, real-time information. The associate had to manually call that store to have someone verify that the garment was indeed on the sales floor.

Ann Taylor also wanted to implement several new services to reduce credit card costs and enhance revenue. But to make the program work, the company needed to support instant application and approval systems and secure communications with the corporate data center. The company also wanted to better integrate its online sales channel with its stores.

Cost was also a concern. To reduce network complexity and maintenance costs, the solution needed to be based on consistent equipment at all stores, throughout the multiyear expansion plan. The new system would also need to support rapid rollout to meet Ann Taylor's goal—deployment at all 600 stores in the first half of 2003.

Finally, the new system had to be highly scalable. Whereas the initial deployment would focus on data, the company envisioned adding voice, video, and other network services at a later date. The solution needed to be flexible enough to accommodate these enhancements without a massive equipment upgrade.

Solution

Ann Taylor's Information Services team worked with reseller Manchester Technologies to help them select the right solution to meet their goals. Together, they developed a multifaceted solution incorporating an intranet, e-mail, online sales and fulfillment systems, a credit switch and credit card clearing system, and nationwide inventory and sales performance applications. The company knew that its network infrastructure needed to provide an extraordinary level of reliability, security, and performance to make the most of these new services. After exploring several options, Ann Taylor chose Cisco networking technologies to support the entire solution.

Many of the competing network equipment providers that Ann Taylor evaluated were locked into a specific technology—such as Frame Relay or Multiprotocol Label Switching (MPLS)—or were constantly revamping their product lines and rendering older equipment obsolete. The more scalable, standards-based Cisco network technologies offered the greatest flexibility and consistency in the short and long terms.

"We wanted a network that could grow, that could allow us to implement new services, see how they impact the bottom line, and then adjust the solution as we went along," says Tom Pane, the company's vice president of Technology Services. "With Cisco, our whole design is agnostic. We can support cable, we can support wireless, we can support frame—we can even support point-to-point networking. So we're not dependent on any one technology, and no problem with any one component will slow us down from implementing this solution or maintaining it over time."

Working with Manchester Technologies, Ann Taylor determined that virtual private networking (VPN) technology offered the necessary combination of performance, reliability, and cost-effectiveness to meet the company's aggressive expansion goals. Using Cisco network routers with VPN capability, the company could securely extend all applications and services to its nationwide retail locations over the Internet—eliminating the need to run costly dedicated lines to every location.

At the company's main office in New York, Ann Taylor deployed two Cisco 3745 multiservice access routers and a Cisco 7204 Router to terminate three redundant Internet connections. The Cisco routers deliver the reliability and performance to extend sales, inventory, and fulfillment systems to locations across the country, and the versatility to support new services that the company may deploy in the future, including enhanced voice and video. VPN tunnels to all stores in the network are managed by a Cisco 7206 Router running the Cisco IOS® Software VPN feature set.

The company uses DSL to connect most stores to the network, with the exception of their largest locations, which use Frame Relay lines. Because reliability and uptime are critical when serving customers, each store maintains three separate VPN tunnels in failover mode and a dialup line for backup. Cisco 1710 security access routers or 1721 modular access routers at each store terminate the VPN connections. These routers were designed specifically for branch locations, and deliver the necessary security and performance while easily accommodating multiple Internet and network services. The Cisco routing/VPN platform also ensures maximum reliability and performance by using multiple VPN tunnels configured in failover mode and advanced quality-of-service (QoS) technology to prioritize credit card authorizations and other mission-critical data communications.

The Results

The Cisco network infrastructure has provided Ann Taylor with superior reliability and performance, allowing the company to rapidly implement the full suite of retail technology solutions and complete the rollout to 600 retail stores in just four months.

"We're more than happy with the solution, we've been very pleasantly surprised," says Pane. "The throughput we're getting, the response time, the reliability, the uptime have all exceeded expectations. It's been a real benefit for the company."

Using the new inventory system, sales clerks can now access accurate, real-time information about all merchandise across the country, and directly interface with the Ann Taylor Website from any retail location. Now, sales associates can put merchandise at another Ann Taylor location on hold for a customer, transfer items between stores, or have garments shipped directly to the customer's home. The Cisco network infrastructure delivers the performance to support the entire data and voice system in real time—even over the Internet.

Ann Taylor's sales performance application is also providing substantial benefits. Store managers can now examine sales data and trends in real time, and update merchandise displays to make popular items and accessories easier to find. The company has seen sales spike at all locations where the new system has been deployed.

Using the company intranet, store managers can also access up-to-date forms and operations manuals, and use e-mail to stay better connected with the company headquarters. The new system has also reduced costs by eliminating paper-based reporting and communications. For example, Ann Taylor now uses its intranet to deliver seasonal style books to stores—instead of spending a great deal of money to distribute these materials on paper.

By choosing industry-leading Cisco technology to provide its network infrastructure—instead of going with a lower-profile, proprietary technology—Ann Taylor is also saving money on network support and maintenance.

"The ubiquity of Cisco has been a huge benefit for us," says Pane. "We're using the industry standard approach, and there's a large pool of people who can speak Cisco IOS Software, who have done Cisco VPN. That was something the competing vendors just couldn't offer."

Ultimately, Cisco offered the only solution that could deliver the reliability, performance, and long-term consistency to support Ann Taylor's rapid rollout requirements as well as its long-term expansion goals. Cisco and Manchester also provided the expertise to help Ann Taylor at every step in the deployment process.

"We rolled out the solution to forty stores a week over a period of four months," says Pane. "Cisco and Manchester were there for us throughout the entire process. I can't tell you enough good things about what they did for Ann Taylor. I don't think we would have been able to do it if we'd worked with any other vendor."

Next Steps

In the coming years, Ann Taylor plans to continue adding new stores and expanding the network. The company is also exploring a number of new applications and services that will further enhance efficiency and performance, such as IP Communications. Currently, Ann Taylor is piloting a Cisco IP Telephony solution that will move phone communications between stores onto the Internet, eliminating toll and long-distance costs for store-to-store calls. By using Cisco 1700

Series routers at all stores, the company is uniquely equipped to accommodate these new services without a substantial equipment upgrade.

As part of the Cisco Full Service solution, the Cisco 1721 Series routers provide native support for data, voice, video, security, and VPN in a single, integrated platform designed specifically for branch offices. Rather than deploy new IP Communications network hardware, Ann Taylor can simply add an IP telephony module to transform the existing store routers into all-in-one voice and data gateways. The Full Service solution routers will also enable the company to add video, security, and other network services in the future the same way, maximizing long-term network investment.

Contact

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—Tom Pane, Vice President of Technology Services, Ann Taylor