



Fostering innovation in retail with Google Cloud

A study of Chico's FAS, Inc. by Google Cloud

Google Cloud

Executive summary

Chico's FAS, Inc. is a specialty retailer of private label women's apparel, accessories and related products. They have 23,000 employees and a portfolio that consists of four brands: Chico's, White House | Black Market, Soma Intimates and Boston Proper, each of which sell merchandise through their branded channels including retail stores, catalogs and e-commerce sites. In recent years, Chico's FAS, Inc. has made significant strides and investments towards improving its omnichannel capabilities, which reinforces their long-standing commitment to providing an outstanding, personalized customer experience across all of their sales channels. The move to Google not only serves as an enabler for this strategic vision but also creates a culture of innovation and invention within the organization.^{1,2}

In 2013, Chico's FAS, Inc. deployed G Suite to its employees worldwide, across all banners. To date, all teams across the retail organization have reported a boost in productivity and efficiency with the implementation of Google. Basic training on Google Calendar, Contacts, and Gmail was provided at the outset but teams have adopted the tools to meet the needs of their individual business units.

This case study provides an overview of how Google Cloud tools are being used and the impact of this technology on the Chico's FAS, Inc. retail environment.

The G Suite team

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“ There are so many Google products available and that's the beauty of the product. It enables the associates to solve their problems and use the technology as they see fit. Now, innovation happens organically. ”

— Alan Mariotti, Vice President of Information Technology & Security, Chico's FAS, Inc.

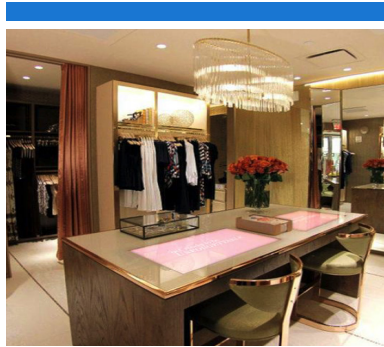
¹Chico's cuts costs and goes global with Google Apps [G Suite]* 15 November 2013. Google Cloud Blog.

²Company (10-K Report).

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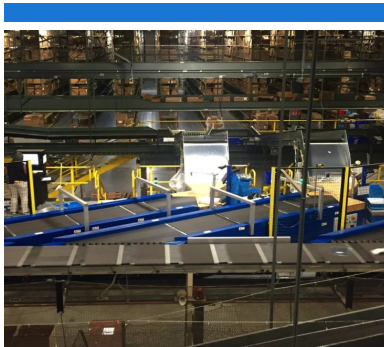
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Merchandising

In retail, the merchandising function is one of the most integral parts of the business. This team is responsible for selecting the right product assortment for each store and determining how the products should be presented and priced. Working on this team requires a great degree of collaboration and coordination of disparate information from multiple stakeholders.³

³ Interview, 24 March 2015.

Before

- The merchandising team was constantly on the go, meeting and sharing information with other internal departments, store teams, and external vendors and partners.
- Email was the primary means of communication and storage limitations were a challenge.
- Deliverables were shared back and forth via email so that the team could provide feedback and make updates to document. Often, this led to a loss in version control and/or critical feedback was lost in the process.
- They needed a better way to collaborate, share and organize merchandising and sales plans, and required the ability to access information at a moment's notice.

After

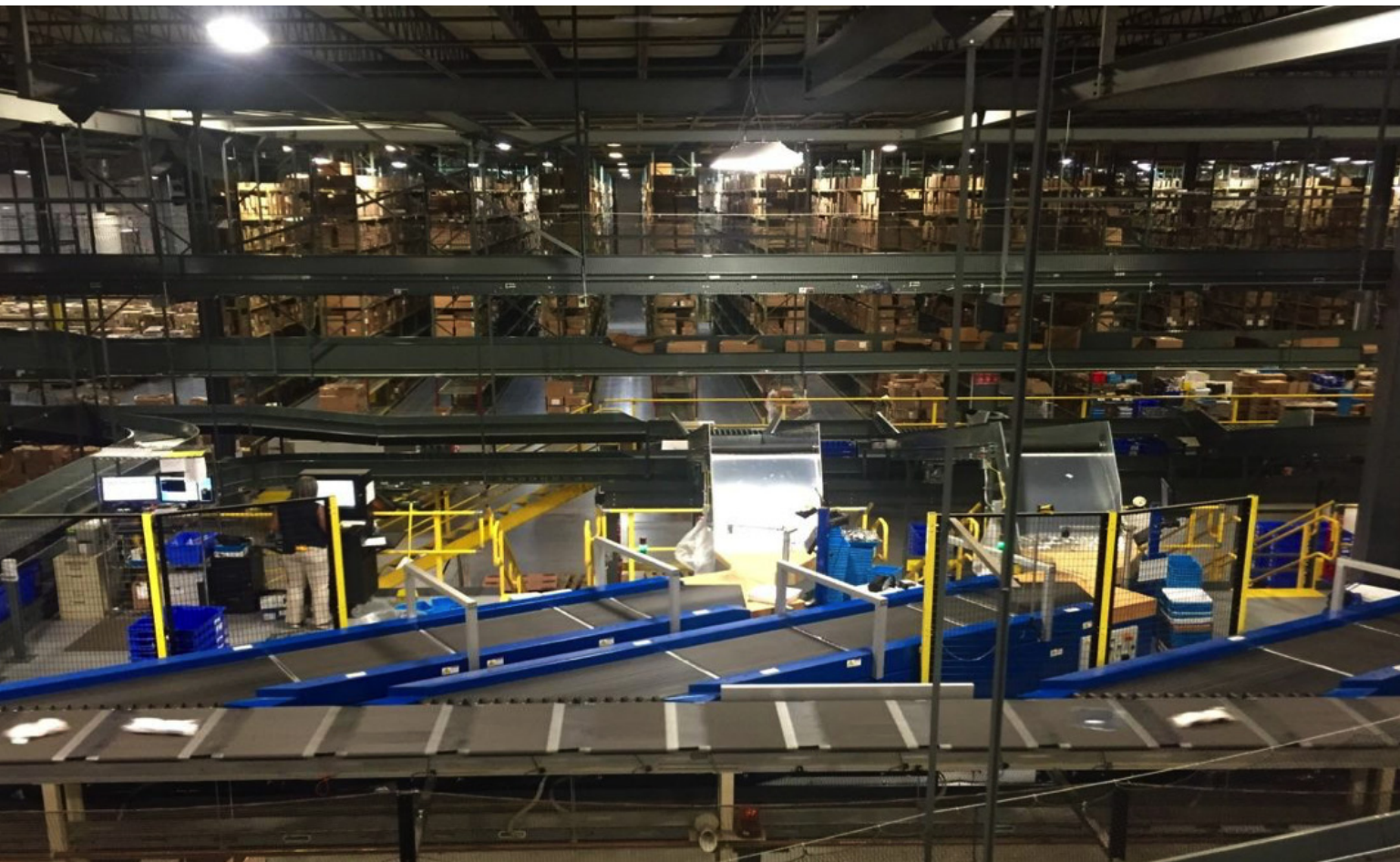
- With the move to Gmail, storage limits increased significantly so the team can refer back to previous conversations as often as they need.
- The merchandising team now uses labels and folders to group emails and keep track of ongoing conversations.
- Collaboration on merchandising and sales plans is more efficient now that files are stored in Google Drive and multiple stakeholders can access documents to make edits at the same time. "It's become so seamless," remarked one merchant referring to the collaborative nature of Google Drive.
- With Drive, all teams work from a single, shared version of critical documents such as buy sheets, allocation schedules, or visual merchandising planograms. They also have the ability to quickly access documents via their mobile devices when attending off-site meetings with stores and vendors.

Impact

Gmail introduced a better way of working for a team that relies heavily on email on a daily basis. Merchant teams needed to be able to organize emails from planning teams, stores, and vendors in a logical way and key features of Gmail allowed them to do this. Similarly, Drive streamlined operations by eliminating the need to email multiple versions of merchandising plans among team members, and improved collaboration among this team and other stakeholders.

“ I love the ability to link and group emails. This has definitely helped me work smarter. ”

— *Chico's merchant*



Planning & Allocation

The Planning & Allocation team is responsible for tracking and allocating every piece of inventory that flows through the Chico's FAS system. The Chico's buying cycle lasts 4-6 weeks and they change floor sets every 2 weeks. Thus, merchandise sold in the first 2 weeks is most profitable for the business because it can be sold at full margin. Whether moving inventory from a distribution center to a store or between stores, this team ensures the right product makes its way to the right location. Prior to Google, this team relied on a number of applications.⁴

⁴Interview, 24 March 2015.

Before

- The Planning & Allocation team tracked inventory using multiple spreadsheets on a daily basis. Each of the 12 team members were responsible for inputting their own updates, and the files were emailed back and forth within the team and shared with other business units.
- For management, having a real-time view of inventory was challenging, as there were always multiple versions of spreadsheets in circulation.
- The team was constantly asked to produce ad hoc reports of the data to capture the status of inventory at any point in time.
- The team met weekly to respond to store call-outs and allocate inventory across stores. Often, the timing of this meeting delayed the allocation process and impacted sales and profitability if merchandise had already been marked down.
- The team needed a more efficient way to track and manage inventory and make allocation decisions in real time, in a way that was visible to multiple functions.

After

- With G Suite, multiple planning teams work together in real time, reducing the number of meetings and the time required to email team members for updates to a spreadsheet. "Google Sheets is a tool that our team uses on a daily basis," remarks one of the planners for White House | Black Market.
- Google Sheets helps the team track and reallocate inventory to the locations that need it the most. Specific use cases include managing store call-outs, reallocating inventory from e-commerce to stores, and tracking lost items or issues in the distribution center.
- Reallocating inventory happens in real time and the team no longer has to wait for their weekly meeting to respond to store call-outs. This facilitates quicker movement of inventory and leads to higher margins during the first two weeks merchandise is on the sales floor.
- Using Google Drive, the planning teams can easily share their planning numbers across the organization allowing management from various functions to access the data at their own convenience. This has significantly reduced requests for ad hoc reporting and allowed the team to focus more on analyzing the data and deriving insight.

Impact

Using Google, the Planning and Allocation team has increased productivity and the efficiency of their core business processes. Sheets has replaced the practice of emailing multiple versions of the same file and allows the team to work faster and in real time. Storing documents in a shared Drive folder reduces requests for ad hoc reporting and allows managers across multiple functions to have real time visibility into their business. Access to real-time inventory data provides management with more accurate revenue forecasting as the team no longer needs to wait for meetings.



Store Sales & Operations

Chico's FAS, Inc. operates nearly 1,500 boutiques and retail outlets throughout the U.S. and Canada. The Store Operations team is responsible for ensuring that these stores operate efficiently. They also work hand in hand with the store sales teams to ensure they have the tools they need to create engaging customer experience, which is the hallmark of the brand.⁵

⁵Interview, 24 March 2015.

Before

- Chico's knew that it wanted to create a more modern work environment and personalized shopping experience in its retail stores.
- Stores and corporate headquarters communicated via phone or mail. Information such as updates to store policies or new planograms had to be organized and physically posted onto a bulletin board for employees to view. Often, paper was lost or torn as multiple people accessed the information on a daily basis.
- Store associates spent time during their shifts calling customers to alert them of new merchandise, upcoming sales and new events.
- Customer engagement in the store was limited to the traditional retail interactions that customers have with products and sales associates. Advertising displays and promotional materials were static and not customized to a particular store location.
- To accomplish their vision, Chico's would need an agile and flexible toolset that would allow them to increase the efficiency of store operations and engage customers in innovative ways.

After

- Chico's has provided email accounts to each of its stores. This has proved to be a more efficient communication tool for store associates to communicate with headquarters and with their customers.
- Now, store associates save time by making fewer phone calls to customers and email them directly from the store branded email account.
- Pertinent information received from headquarters is stored in a shared folder on Drive and is accessible from a mobile device. For example, merchandising teams can take and upload photos of new floor sets to Drive and share them instantly with the store team. Previously, these images were printed and shipped to stores and in most cases were eventually torn apart as multiple teams used the same paper copy. Drive allows everyone access to the same document multiple times, with all images intact.
- Digital signage powered by Google Chrome is a key part of the Chico's "Digital Retail Theater" strategy, which includes bringing digital signage to stores and displaying relevant content and promotions based on the store, category, and/or season. This has created a more engaging experience for Chico's shoppers.⁶
- With Google's digital signage solution, this team can easily push out relevant content and change displays without burdening the IT department or maintaining additional hardware at each store. This team is also beginning to measure the relationship between how shoppers respond to content and the resulting impact on sales in real time, a task which was not possible prior to their adoption of Google Cloud products.

Impact

The move to Google created a more efficient work environment for store associates and an innovative and engaging in-store experience for customers. With Google, associates spend less time searching for hard copies of communications from headquarters and have more time on the floor with customers. They are also able to connect with their customers via email which further enhances the clienteling experience. Digital signage powered by Chromebox devices have transformed the in-store experience, giving customers a new way to view and engage with merchandise and marketers the ability to test content and promotions in real time. Digital signage has allowed Chico's FAS to create more relevant experiences in-store.

“ We [used] Chromeboxes to personalize the shopping experience, by tailoring our digital signage to the city, the store, and even the specific department. ”

— Chico's FAS, Inc. CIO

Contact Center

The Customer Sales and Service Center (Contact Center) is charged with delivering a superior customer service experience and managing customer inquiries for all four brands. This team of nearly 400 associates works 24 hours a day, 7 days a week and handles sales and service inquiries, resolves customer complaints, educates customers about products, and conducts outbound customer service surveys.⁷

Before

- To maintain a high level of customer service, Contact Center associates need the ability to quickly access content to provide responses in a timely manner.
- The Contact Center team accessed a shared network drive to search for content such as detailed product descriptions, coupon codes, and brand specific information.
- Some files were so large that it would take up to 5 minutes to open the document and additional time to search within documents. As a result, customers would be placed on hold while associates searched for the information needed to complete the request.
- Additional requests handled by this team include processing refunds, collecting customer feedback on orders, and other special requests. Most of these processes were manual, requiring multiple paper hand-offs among teams and a limited ability to track progress in real time.

After

- The Contact Center team has fully transitioned all of their information from the shared network drive to a Google Site. Information updates and popular content are displayed on the site's home page, saving associates time from searching through folders to find information.
- Google Sites provided a new approach to organizing content for this team, in a way that had never been done before. As an added benefit, the team can measure the average amount of time an associate is on the site, the number of page views for a specific topic, and rankings for each page using Google Analytics.
- By leveraging metrics on Google Sites, management can instantly see the most popular customer inquiries and have the insight to identify opportunities for improvement.
- To better manage other customer requests, the team uses Google Forms to log requests and capture information that is shared with the team that fulfills these requests. Digitizing this process has reduced manual steps, increased efficiency of the process, and introduced a new way to track and report on progress.

Impact

The Customer Sales and Service Center plays an integral role in maintaining and expanding the relationship between Chico's brands and their customers. The introduction of Google has enabled this team to operate more efficiently and in turn, enhance their customer service experience. Using Sites as a way to manage content has increased efficiency of this team by providing better organization, quick access to information and improving response times. Through Forms, the team saves time in responding to customer refunds or other ad hoc requests and has a more streamlined way of managing this process.

⁷"Chico's chooses Chromebox to create digital shopping experience" 21 January 2015. Google Cloud Blog.



Customer Analytics

Chico's FAS, Inc. is a very metrics-driven organization and the Customer Analytics team plays a key role in consolidating and synthesizing marketing and customer data for the business. This team creates standard reports on key KPIs and also generates ad hoc data analysis as requested by specific business units and senior leaders within the organization.

Before

- The team hosts a weekly in-person business review meeting with various brand stakeholders. Meeting materials were printed for each participant (30+) and notes/action items were tracked separately by each individual and not shared amongst the team.
- Each month, this team is responsible for creating a consolidated month-end report across all four brands. One person on the team was responsible for downloading data for each brand, creating a template, emailing to each brand team, and consolidating the inputs into one document.
- The VP of Customer Analytics provided feedback separately to each brand team, and the team would respond with questions and send multiple iterations of the document back and forth via email. Often, brand teams would receive the same feedback on their documents; however, they only had access to revisions and edits for their assigned brand. This entire process took 5-6 days to complete and was rarely distributed to stakeholders on time.
- To manage workflow, each brand used a combination of spreadsheets and individual calendars to capture ad hoc requests and ongoing analytics projects. Just for the Boston Proper brand alone, a team member was responsible for managing over 16 calendars. There was no consolidated view of ongoing work across the team, making it difficult to accurately predict project completion times and plan around critical deadlines.

After

- With the help of Google, the Customer Analytics team has achieved their goal of reducing the amount of paper that the team uses. For the weekly business review meetings, meeting materials are shared in Drive ahead of time, and all participants have access to meeting minutes as they're captured. This way, everyone is better aligned on action items and next steps.
- Real-time collaboration has not only streamlined the month-end reporting process but has also led to faster completion times. Using Google Slides, the team can access the template on Drive and make all of their edits in the same document. Working together in the same document saves time and removes the administrative burden of consolidating and formatting inputs from four brand teams.
- The team receives more coaching and feedback 'in the moment' as the VP can now make edits and respond to questions directly into the document for all team members to view. Drive has eliminated the practice of emailing documents back and forth, so documents are now distributed to stakeholders on time.
- Google Calendar has enabled this team to consolidate multiple calendars into one. This provides a view of all of the work being completed by this team and allows for better prioritization and planning as requests come in. Requesting business units also have visibility into the progression of their requests.

Impact

The Customer Analytics team is an integral part of the Chico's FAS business and all brands rely on this team to help them understand their customers better and make strategic decisions about the business. The move to Google has increased collaboration and reduced the administrative burden associated with managing multiple calendars and formatting multiple inputs for a single file. With Google, the team has more structure, can meet their deadlines in a timely manner, and has more time to derive key insights from the data, leading to higher quality work. For the leader of this team, growing and developing staff was a top priority and Google has provided the tools to be a more effective coach and lead by example.

“ The greatest benefit is that now our team can spend more time focusing on the derivation of insight instead of the administrative tasks. This is the real value that our team creates for the business. ”

— Chico's FAS, Inc. VP of Customer Analytics



Human Resources & Corporate Communications

The HR & Corporate Communications team is responsible for managing talent within the organization as well as disseminating information to each of Chico's FAS, Inc.'s 23,000 employees. Managing the flow of information for an organization of this size requires a high degree of coordination and multiple communication touch points.⁸

⁸Interview, 24 March 2015.

Before

- Paperwork and documentation are a key part of most processes within the HR function. Employees submit paper-based forms to provide documentation for common processes such as new hires/separations, expense reporting, and performance management, to name a few.
- This created a large volume of work for this team and also increased the potential for errors, misplaced documents, and a prolonged processing period.
- To keep pace with the demands of a growing workforce, this team needed a solution that would reduce or eliminate manual steps and the reliance on paper-based forms and processes.

After

- Google has helped this team transition many of their core processes from paper to digital.
- Forms are used for expense reporting, conducting store surveys, and even nominations for performance awards. Today, employees in the field can submit expense reports using Forms and track their submissions electronically which saves time and shipping costs and speeds up the approval process.
- Forms is also the new way to submit nominations for the Chico's "AND" award, an award to recognize outstanding performance. Every year, nominations from the field come in via paper and followed a process similar to expense reporting (hard copy printouts and multiple approval chains). There are thousands of nominations that had to be tracked. Now, employees submit nominations electronically. As a result, the number of nominations has increased dramatically and processing time has been reduced from just over a week to a few days.

Impact

For a team that relies on paper documentation for many of their core processes, Google has truly introduced a new way of working. This team has realized efficiencies in processing times and reduced mail costs. In addition, the move to a more digital process adds more accountability and provides a way to track progress and measure efficiency. Looking forward, the team plans to continue evaluating their core processes to see where Google can add additional value and create more efficiency.

About Chico's FAS, Inc.

Chico's FAS, Inc., through its brands—Chico's, White House | Black Market, Soma Intimates, and Boston Proper, is a leading women's omnichannel specialty retailer of private branded, sophisticated, casual-to-dressy clothing, intimates, complementary accessories, and other non-clothing items. As of January 31, 2015 the Company operated 1,547 stores in the U.S. and Canada and sold merchandise through franchise locations in Mexico. The Company's merchandise is also available at www.chicos.com, www.whbm.com, www.soma.com, and www.bostonproper.com.

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