

Retail boom spurs HCL Technologies to increase focus

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SHARP growth in the retail sector and the consequent rising spend on retail technology has driven HCL Technologies to focus strongly on the retail vertical. And a cornerstone of HCL's push towards



creating niche retail solutions is its outsourcing deal with the \$4.74-billion New York-based Jones Apparel Group.

More than a strict outsourcing deal, the HCL-JAG relationship is a direct partnership which started way back in 2002. So much so, Mr Paul Lanham, EVP and CTO of Jones Apparel Group, is also the CEO of HCL Retail Business Solutions — the joint venture between HCL

and Jones Apparel Group. "The relationship is looking forward for another five years having successfully completed five years," says Mr Lanham in an exclusive chat with ET.

What makes Jones excited about the potential of technology in retail is the fact that there is a shift from just point-of-sale technology implementation to a more enterprise-wide tech application. The numbers are strong too. According to a new AMI study, spending on information technology (IT) is rising sharply this year among small and medium businesses in the retail industry in Asia excluding Japan. India, South Korea, Indonesia, Philippines and Vietnam are expected to be the fastest growing, with IT spending rising more than 15%.

Retail medium businesses (with 100-999 employees) are looking closely at the services delivery platforms in addition to IT infrastructure to enhance their competitive edge.

HCL has created value for Jones Apparel Group by significantly saving MIS costs, achieving Sarbanes-Oxley compliance and handling their complete single system concept which include SAP AFS, product lifecycle management and warehouse management. HCL works with four of the five top retailers in India and also has a long-term focus on product development for the retail sector.

According to Mr Lanham, the four main triggers for retailers to embrace technology include the need for seamless real-time data availability across the organisation, management of increasingly complex supply chain, the advent of multi channel retailing and need to delight the consumer.

One of the software that Mr Lanham feels will be a driver in the future is the price optimisation software in retail - applications that help in analytics of the demand pattern and optimised pricing in all selling sites. The software helps in optimised revenue and margins and achieves this by adjusting prices downward where consumers are price sensitive, in order to increase volume while raising or maintaining prices where consumers are not price-sensitive.