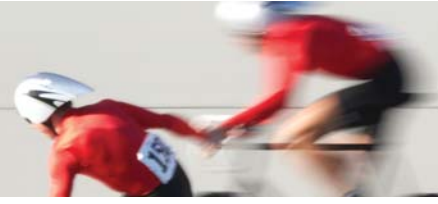


## Maintaining market lead with strategic improvements



### TESCO direct

#### Client

Founded in 2006, Tesco Direct retails a wide range of non-food products via the Internet and catalogues. In 2008, the organisation issued 11.5 million catalogues, attracted around 1.5 million visits to its website each week and increased sales by more than 50% in the year.

#### Goals

- ◆ Enhance the customer experience online to increase sales
- ◆ Improve process efficiency to reduce costs and improve profitability
- ◆ Reduce exposure to fraud

#### Charteris' Role

- ◆ Analyse business needs and system requirements
- ◆ Design new system architectures
- ◆ Support the implementation of new systems and processes

#### Results

- ◆ Increased sales, due in part to the delivery of more personalised recommendations for online customers
- ◆ Streamlined and efficient warehousing and returns processes that minimise costs
- ◆ A 20% reduction in incidents of fraud

**Even if you are a market leader, you cannot afford to stand still in the retail industry. Tesco Direct had built a strong presence in non-food online and catalogue-based retailing in just two years, but it needed to keep on improving its website and business processes to stay ahead of the competition. Charteris helped the organisation to deliver a number of key business improvement projects, which have contributed to increased sales, improved efficiency and reduced costs.**

Part of Tesco.com, Tesco Direct sells non-food and non-beverage products to customers via the Internet and catalogues. It offers over 12,500 different items across a diverse range of product categories from washing machines and televisions to Barbie dolls, diamond rings and even the kitchen sink.

In the first two years following its foundation, Tesco Direct had grown exceptionally quickly. It had firmly established itself on the web and had grown its non-food market share, but other competitors were starting to catch up. The organisation recognised that it needed to refresh its website and improve the efficiency of business processes to help it grow its market share.

Tesco Direct therefore launched a wide-ranging business improvement programme that addressed issues right

across the business - from the online customer experience right the way through to warehousing and distribution. The organisation's IT programme manager, John Spinlove, explains: "Through this programme, we aimed to improve the site and shopping experience for customers, as well as making our own operations more efficient."

In order to deliver the programme of business improvements as quickly as possible, Tesco Direct decided to appoint an experienced consultant to support its in-house teams. One of Charteris' consultants had previously worked with Tesco Direct on a different project. He therefore offered relevant experience, as well as strong technical capabilities and business analysis skills.



“The Charteris consultant was very highly skilled and performed to an exceptionally high standard”

**John Spinlove,**  
IT programme manager,  
Tesco Direct



### Supporting and up-skilling in-house teams

Tesco Direct divided its business improvement programme into a number of distinct projects, each of which was focused on streamlining a specific business process or delivering a clearly defined customer benefit. The Charteris consultant became involved in many of these projects, but played a particularly key role in four of them.

The aims of these four projects were to:

1. Ensure the efficiency of warehouse fulfilment
2. Improve the detection of fraud
3. Enhance the individual customer experience online
4. Speed up the returns process

To achieve these goals, Charteris worked closely with members of Tesco Direct's in-house IT and business teams, many of whom were relatively new to the organisation. “The Charteris consultant worked tirelessly with the teams to up skill them and ensure they could take things forward themselves in future too,” says Spinlove.

In all four projects, the Charteris consultant helped Tesco Direct's internal teams to understand how existing systems worked and then identified the changes that were necessary to support the growing business. He developed new solution architectures and worked with the developers to create and implement the improved systems.

As part of the first project, Tesco Direct opened a new warehouse and redesigned its warehousing processes to make them more efficient. “There was a fixed deadline for the delivery of the new warehousing system that was linked to the launch of the new Tesco Direct catalogue,” says Spinlove. “Charteris helped us to hit that deadline.”

### Increasing sales and profitability

The second project - fraud detection - was one of the most important in the entire business improvement programme. “As our online offer had increased, we had become more susceptible to fraud,” explains Spinlove. Charteris worked with Tesco Direct to introduce complex scoring methods to more accurately assess the risk of each order. As a consequence, incidents of fraud reduced by at least 20%.

In the third project, Charteris worked with Tesco Direct to help it improve the personalisation of its website. Now, when customers visit the site, they are presented with dynamic recommendations for products, based on their previous viewing and shopping history. Spinlove says: “The consultant quickly got to grips with our business systems and was very knowledgeable.”

Finally, Charteris supported a project to improve customer satisfaction in the returns process, by speeding up refunds and exchanges. “This was an important project, and the complexity of it grew as we got into the detail of it,” recalls Spinlove. “The Charteris consultant was very highly skilled and performed to an exceptionally high standard.”

Now that the business improvement programme is complete, Tesco Direct has an even stronger customer offering, supported by efficient back office processes. “Sales and profitability have increased since the completion of our business improvement programme,” concludes Spinlove. “If we had not been successful in making the business improvements, we may not have been able to grow.”

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**Business specialists who speak IT**  
**IT experts who think business**



### About Charteris

Charteris delivers greater customer focus and business efficiency through seamless business and IT consulting. Our unique blend of 'business specialists who speak IT and IT experts who think business' ensures that clients receive seamless solutions that deliver competitive edge.

Leading public and private sector organisations draw on our deep experience to help them improve performance and reduce costs. Our services include **Customer Centric Business Change**, **Microsoft Dynamics** solutions and other advanced solutions based on the full spectrum of **Microsoft Technologies** and associated technologies.

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