



Cisco Lean Retail Architecture: Improve Business Agility



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Executive Summary

Business has to be able to move quickly—to innovate, to respond to changing conditions, to enhance its service, and to improve its cost and profit lines. And retail businesses are no exception.

Deploying a Cisco® Lean Retail Architecture can help retailers:

- Increase profits and decrease operational costs
- Deploy new applications faster and make better use of existing IT investments
- Improve customer service by providing critical information in less time
- Decrease personnel time spent on systems maintenance and upgrades

Introduction

Retailers today have to balance the imperative to decrease costs with the need to innovate. They must find a way to provide a positive and innovative customer experience in order to grow sales and profits, while reducing the percentage of their IT budget that goes to simply support existing IT systems.

This dynamic challenge has an innovative solution: the Lean Retail Architecture from Cisco. This solution lets your business decrease operational and capital expenses so you can increase your options for deploying innovative technology.

The Cisco Lean Retail Architecture can help you to reduce IT costs in your stores and the data center and enables you to use that savings to improve the customer experience.

Business Benefits of the Cisco Lean Retail Architecture

Implementing a Cisco Lean Retail Architecture can help:

- Reduce operational expenses in the store
- Decrease capital expenses and gain efficiency from existing data center assets
- Improve customer service by providing faster access to corporate information
- Improve business agility by making it easier to deploy and upgrade applications

Reducing Costs and Decreasing Capital Expense

One focus of the Lean Retail Architecture is to reduce the operating costs associated with the storage and server technology that can proliferate throughout stores and retail data centers.

The Cisco Lean Retail Architecture allows you to consolidate applications and servers from the stores to the data center without negatively affecting application performance. This consolidation effort decreases operating expenses for administration, maintenance, upgrades, and patches on in-store applications and servers. And the reduction is multiplied dramatically because the architecture eliminates the need to travel to each store to execute these services. Lower software licensing and maintenance costs, as well as amortization of store servers, are additional potential cost benefits.

Every retailer can reassess the status of its current store applications, given the capabilities of the Lean Retail Architecture, to provide reliable, secure LAN-like performance over the WAN and get greater efficiency from existing data center assets.

The solution can also bring about significant savings in capital costs. In data centers, the largest continuing capital expenditures are for storage and servers. By consolidating servers through load balancing and using virtualization to gain greater use of storage, you can improve efficiency between 30 percent and 70 percent and extend the life of current IT investments. A byproduct of this improved efficiency is lowered energy requirements.

Improving Productivity and Performance

Delayed sales can quickly become lost sales. When a customer leaves the store without buying because lines are too long or assistance by store associates is not available, that affects store performance. Providing employees with faster access to time-critical information is one of the best paths to improved productivity, which leads to increased revenue and profit.

The Cisco Lean Retail Architecture provides accelerated application performance. Data-center-based applications deployed to the stores can have their performance accelerated to LAN-like speeds, in conjunction with load-balanced servers that use virtual storage. Improving the efficiency of servers and storage helps reduce costs and improve performance at the store, the server farm, and the storage area network.

This improved performance can give store associates faster access to information such as product specifications and availability. Putting that increased expertise at the customer's disposal will improve the shopping experience.

Business Agility and Choice

In today's business environment, it is vital that IT be able to deploy new applications and capabilities quickly and effectively. The Lean Retail Architecture enables more applications to be deployed centrally, dramatically decreasing the time and cost of deployment. Deploying centrally also reduces the costs of opening new stores and of integrating acquisitions.

While many retailers will choose to deploy some applications in the stores, the Lean Retail Architecture introduces capabilities that tip the scales toward the less expensive central deployment model.

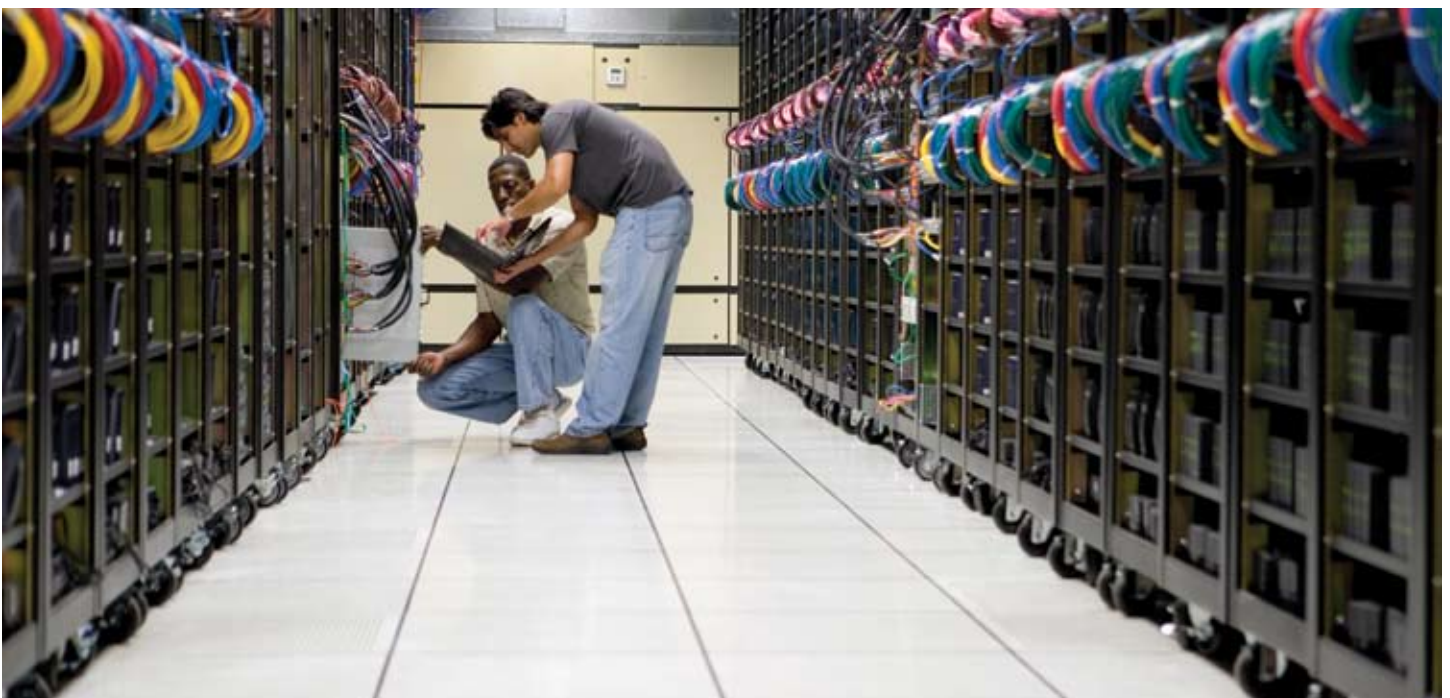
This business agility not only affects the rollout of new applications, it also enables simultaneous patches and upgrades of applications in all stores, thereby eliminating the need to dispatch technicians to each store.

How to Create a Lean Retail Architecture

Achieving a Lean Retail Architecture includes the following steps:

- Redeploy servers and applications from the stores to the data center
- Consolidate and virtualize data center storage and servers
- Make application availability a focus of a network-centric architecture
- Move to a network-based, on-demand services model to deliver applications, security, mobility, and voice capabilities

The Lean Retail Architecture is based on the Cisco Services-Oriented Network Architecture (SONA), which enables services to be provided throughout the network rather than having to be integrated separately into each application or utility.



Technologies that Enable “Lean Retailing”

The network is the backbone for any Cisco solution, and the Cisco integrated services router is the foundation for network capabilities in the store. Its scalable, multipurpose functionality enables application acceleration, wireless, and unified communications in a single system. The Lean Retail Architecture supports:

- **Cisco Wide Area Application Services (WAAS)** for application acceleration and redeployment of applications. This software accelerates data-oriented application performance through data compression, caching, and IP optimization. Applications can perform up to five times as quickly with Cisco WAAS.
- **Cisco Application and Content Networking System (ACNS)** Software for acceleration of video-intensive applications.
- **Cisco ACE Application Control Engine Module** for load balancing of the server farm and greater security in the data center and, with the Cisco ACE XML Gateway, acceleration of Web-based applications. Load balancing can improve server farm efficiency, decelerate future server purchases, and improve energy costs.
- **Cisco MDS 9000 Series Multilayer Directors and Fabric Switches** for storage virtualization in the data center. Storage virtualization can improve storage efficiency by 30–70 percent, decelerate future storage purchases, and improve energy costs.

Cisco works with a wide range of vendors who provide solutions for planning, designing, and deploying Lean Retail Architecture.

Build a Foundation for Future Choice

The uncertainties of the market and changing consumer tastes will always keep retailers looking for ways to do more with less. The Cisco Lean Retail Architecture provides consistent and ongoing cost savings in stores and the data center. At the same time, by enabling easier deployment of new applications and capabilities, it helps your business to innovate and respond to competitive innovation.

Learn More Today

Cisco retail solutions can help you achieve your business goals while enabling new strategic business initiatives. Call your local Cisco account executive to learn how Cisco retail solutions can help you. For more information, visit www.cisco.com/go/retail



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