



CadDo

**A Case Study of Tesco's usage of the CadDo
Calculate Solution**



CadDo Success Stories:

Increasing Delivered Margins for Tesco Direct

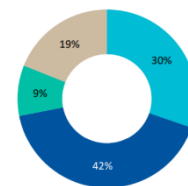
Turning Data into a Weekly Delivery



Tesco is the world's third-largest retailer, and the largest in the UK, operating more than 94 million square feet of retail space and employing nearly half a million people. Since 2006, they have also operated Tesco Direct, a multi-channel online business, offering customers the option of ordering goods for collection in store or delivery to their homes.

Our Understanding

Tesco was only too aware that the profitability of every order depends significantly upon the ordering and delivery option chosen by each customer through its multi-channel ordering capability. With this in mind, we immediately understood that Delivered Margin was a key metric affecting both profitability and business decision-making.



Our Approach



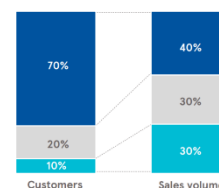
Our scoping workshops revealed that Tesco had already developed a Microsoft Access model in-house. While this was adequate for providing directional insight, it was too slow, unreliable, inflexible and inaccurate to enable measuring of robust KPI's. Worse, it took three weeks to process monthly data, when there was a clear business need for reports to be delivered on a weekly basis.

CadDo was engaged to implement a reporting model using a cost management solution providing the pace and agility required to support a high transaction environment. To keep implementation cost to a minimum, the model was migrated by CadDo 'as-is', minimising the need to build a model from scratch.

Measures of Success

The model went live, with the immediate benefit to Tesco Direct that reports were delivered on a weekly basis, which was made possible by the elapsed cycle time being reduced from three weeks to just four hours.

This renewed focus on Delivered Margin helped to drive a behavioural change for the Commercial teams, encouraging them to understand and focus on the true profitability of all their products. The notable insights provided resulted in a significant multiple ROI on the initial investment, initially estimated at £2m per annum. In fact, the project has been deemed so successful that a further infrastructure upgrade was signed off, increasing the user base from 40 to 150.



Contact Us

Online at
CadDo.com

Email
contact@caddo.com

On the Microsoft Azure Marketplace
(Search CadDo Calculate)