



**Stefano Gaggion**  
Senior Vice President and  
Chief Information Officer

## Brooks Brothers uses SAS® to drive global customer satisfaction and profitability

### Industry

Retail

### Business Issue

To increase profitability by accurately forecasting inventory globally, empowering store managers with data needed to make better business decisions and increasing marketing ROI.

### Solution

SAS® Business Intelligence

### Benefits

Brooks Brothers greatly improved inventory management, decreasing inventory by 27 percent and reducing stock-outs. Managers are getting detailed, store-level reports, and the company is experiencing significant marketing savings.

Brooks Brothers has rapidly grown the company without losing its trademark focus on the customer. SAS Business Analytics helps Brooks Brothers achieve growth and customer service. Since introducing SAS, inventory is better managed, store managers have more accurate information, and personalized marketing campaigns are executed at a lower cost.

The oldest clothing retailer in the US, Brooks Brothers boasts an unmatched reputation for tradition, value and high quality in the ready-to-wear industry. In recent years, the company has taken that reputation overseas, opening stores in places like Shanghai, Toronto and Hong Kong. The challenge for executives is to replicate the Brooks Brothers reputation for excellent quality while juggling the demands of a global supply chain and retail operations spread over four continents.

The answer is to get the right information in the right hands at the right time. Brooks Brothers empowers store managers and vendors to better manage the business. Store managers receive key reports, provided through SAS, to help them find opportunities to improve store performance and customer satisfaction. The retailer also collaborates with vendor manufacturing partners to give them an accurate view of sales and demand, thanks to SAS, benefiting both sides of the supply chain – resulting in having the right merchandise in the right stores at the right time.

### Global collaboration and a single enterprise view

Brooks Brothers started using SAS several years ago to set the stage for global collaboration, to drive better decisions and results for the company.

The CIO and his team built a foundation with SAS to integrate, analyze and have a single view of the business. The company chose SAS because it can grow with Brooks Brothers – in scale, business results and business capabilities.

“SAS is a solid and flexible technology that is really a true enabler,” says Stefano Gaggion, Senior Vice President and Chief Information Officer. “Our business could double or triple in the next five years, and we will have no technical limitations with SAS.”

“Using SAS, we can give our vendors a more accurate view into projected sales and demand. This has really improved service levels, and it’s benefited both sides of the supply chain,” explains Dave Donovan, Manager of Business Intelligence. SAS provides a common sales forecast to allocation and replenishment teams and systems. This eliminates discrepancies between systems that could lead to understocks and overstocks.

“There are no surprises for our vendors. There might be a minor bump here or there, but in the span of a year, they have a pretty good view of what they’ll be delivering by week or month,” Donovan says. In a recent year-to-date comparison, the company had pared inventory by 27 percent. It has reduced the average weeks of supply on hand by seven.



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**Dave Donovan**  
Manager of Business Intelligence  
Brooks Brothers

And if the company’s forecasts are a little off? Donovan’s team can cope with that as well by keeping real-time data on inventory levels. This helps store personnel quickly order stocked-out items to be shipped (free of charge) to customers’ homes.

“We are leveraging information to get a global view of our business,” Gaggion says.

### **Store managers driving success locally**

Brooks Brothers operates in a highly personalized environment where sales associates and store managers develop long-term relationships with clients. With that in mind, the company wanted store managers to have more information about their unit’s operations. “SAS technology helps stores make independent business decisions that drive sales and profit,” Gaggion explains.

A critical component is the ability to quickly produce store profitability reports. This has helped burst some preconceived notions about success at the store level. “We had one store that was surpassing its sales goals, but it was losing money,” Donovan says. Corporate was able to share information with the store manager about its payroll expenses, markdowns and supply budgets for that store as compared to other stores in the chain to help that manager turn the store around. “SAS technology helps us empower managers. They are

thrilled with what we’ve given them,” Donovan says.

All of these efforts are accomplished in a way that saves staff time and money versus trying to create reports manually. The retailer estimates it saves approximately \$200,000 a year with SAS.

### **Saving money with more effective marketing**

Sending out mailings to promote upcoming sales is a common practice. The challenge is to customize the mailings in a way that truly drives store business without spending too much time and money. Brooks Brothers uses SAS to segment customers and automate the customization process, achieving significant savings on just that one aspect of the marketing campaign.

The company also uses SAS to figure out which types of specials will work best. Does it make more sense to offer three shirts for a discounted price? Or is two the number that will drive revenue and profits? Should shirts and ties be marketed together at a promotional price, or separately? “We’re doing some market basket analysis,” says Donovan, adding that one of the goals is to engage individual stores in determining what works. “We don’t want this information locked in the back office. We want the store managers to start cultivating their analytical skills.”

The retailer has even used SAS to help its charitable endeavors. Brooks Brothers supports the St. Jude Children’s Research Hospital. To encourage sales associates to solicit donations during its annual Thanks and Giving campaign, the company tracked performance daily through SAS. Donations increased by 50 percent. “The performance data helped keep our sales associates energized,” Donovan says.

### **Driving worldwide growth**

Brooks Brothers has aggressively expanded in recent years, adding more than 100 stores in the US and around the world. Stocking a store, tracking performance and forecasting what will sell in the next season is all made easier with SAS Business Intelligence.

The company is also using SAS to help leverage its global presence. The retailer can quickly move supply to reflect the different seasons and climates of its multicontinent operation. Winter-weight wool suits that haven’t sold in North America might head down to Chile for their winter. Lighter-weight clothing can find its way to warmer cities near the end of the Northern Hemisphere’s summer.

“SAS helps us maintain our level of efficiency, collaboration and information visibility across our global business,” Gaggion says.



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