

### Situation:

Barneys New York had an objective to grow the business without increasing staff. They needed to replace inefficiencies and redundancies with automation and control.

### Solution:

Barneys New York selected MI9 Merchant, MI9 Business Intelligence & Data Warehouse, and MI9 Foundation and saw dramatic improvements in reporting, data management, and productivity

### Strategic Benefits:

- Store performance reports are real-time vs. days behind
- System updates complete 70% faster
- Inventory visibility supports better decision making
- Interface to sales audit and financials runs in less time
- Online and physical stores share one merchandising & reporting system

### Operational Results:

- Increased efficiency of 500+ users
- Decreased inventory freeze period from weeks to days
- OTB calculations available in real-time
- Fashion “collections” feature gives buyers flexibility in grouping products
- Attribute reports supports smarter purchasing

### Why They Chose MI9:

- Cutting edge technology
- Full-featured solutions with intuitive user interfaces
- Strong understanding of the apparel business
- Expert staff addressed strategic and technology needs

### About Barneys New York:

- Barneys offers high fashion and unsurpassed customer service
- 45 US stores in four formats: flagship, regional, coop & outlet
- Web store serves 90 international markets
- Merchandising & BI system has 500+ users
- Manages 300,000+ active SKUs and archives history for 1.2 million

## Masterful Merchandising at Barneys New York

Barneys New York epitomizes fashion and service. Its ever-changing, high fashion merchandise attracts an enviable clientele to its 45 stores across the United States. Once inside, customers are treated to personalized service and gorgeous displays of high quality, high fashion apparel, footwear, and accessories sourced from around the globe.

Behind the glamour are hundreds of buyers and merchandisers who manage more than 300,000 active SKUs (with 1.2 million in the system). Until December 2008, however, Barneys NY was burdened by an inflexible, 25-year-old system that required redundant data entry and depended on many manual processes. Since the old system did not maintain enough style detail, Barneys used a third party solution which often didn't balance with the main system. Reporting was cumbersome and could no longer keep pace with the needs of the connected marketplace.



Sean O'Reilly, VP of Information Technology for Barneys New York, determined that the best way to ensure future growth for the company without adding incremental personnel was to replace the legacy merchandising and business intelligence systems with a solution that would automate routine processes, provide a single data source for all reporting, and deliver the sophisticated merchandising capabilities needed to run a 21<sup>st</sup> century business.

“Our multi-brand assortments of high value product like fine jewelry and clothing, as well as high volume products like cosmetics and accessories and our private label clothing each have unique buying strategies which dictate specific system needs,” says O’Reilly. “We interviewed several companies including the market leaders. MI9 came out far ahead. Their technology was solid, and their base functionality four years ago surpassed what the big names are rolling out today. The larger vendors’ processes seemed complicated for a mid-tier retailer like Barneys, while MI9’s solutions were straightforward. Furthermore, MI9 as a company aligned closely with our values. They listened to our wish list, examined our business strategy, and introduced ideas that got us thinking outside the box. For example, MI9 suggested that we include **all** POS data including customers, reason codes and more. We now have remarkable insight into most all store activity within our corporate reporting. MI9 took the time to truly understand what we needed and presented top-notch solutions.”

Barneys New York went live with MI9 Merchant, MI9 Business Intelligence and Data Warehouse, and MI9 Foundation in December 2008.

“We modified the solutions somewhat to accommodate our processes,” O’Reilly continues. “For instance, in our warehouse we don’t have much back stock; we use a flow through process. The MI9 team made the changes easily. We were delighted, and saw additional improvements using the MI9 system. We made other additions, such as including the fabric and materials for bespoke apparel in the merchandising system and adding a bridal registry. MI9 solutions help us reduce the work required to deliver the level of service that makes Barneys famous.”

## Flexible Merchandising System

Barneys manages merchandise for both online and physical stores using the same system. This enables both reporting vertically within a channel and aggregating information across channels for a unified view. In this arrangement, the IT department does not need to license and maintain multiple systems, and users do not duplicate work.

“MI9 Merchant integrated easily with our systems during implementation and readily accepted web expansion in 2011,” says O’Reilly. “Merchant gives us one source for data and buyer-related information, such as transfers and stock buying, without redundant data entry. Web attributes can be included too. Buyers also use the unlimited attributes to assign details like fabric content or heel height. That helps them make informed purchasing decisions going forward.”



In the near future O’Reilly plans to make use of the database’s ability to accept unstructured data and add product photos to the descriptions. Buyers will be able to see the items instead of having to visualize them, making it easier for them to set up categories and collections. “Collections” allow buyers and merchandisers to extend beyond “style” to create product groupings that are geared toward specific audiences.

“I like the system’s flexibility. With MI9 Merchant you aren’t stuck with your original hierarchies,” says O’Reilly. “As the business changes, we can recast the hierarchies without losing historical reporting. Also, with five levels in the hierarchy, we can go down to a deeper level of detail.”

## Actionable Information in Real Time

Barneys leverages their inventory by enabling cross-channel fulfillment. Their success in managing the “fulfill from anywhere” scenario depends on real time inventory

information made available through MI9’s technology. Stores also use the real time inventory counts to answer customer questions quickly and aid in sales.

“MI9 Business Intelligence dramatically improved many of our routine processes,” says O’Reilly. “Data is immediately available, and reports are easy to create and modify with the drag-and-drop reporting tool. We used to run store performance reports here in the corporate office, print them out, and physically mail them to the locations. Now the reports are delivered electronically, improving store responsiveness by days. Physical inventory used to be grueling; now it’s a non-event. The examples go on and on. Corporately we review our KPIs and reporting once or twice a year and update our standard reports accordingly. MI9 BI accommodates all our needs.”

## MI9—A Valued Business Partner

“MI9 stays ahead of the technology curve. We consider MI9 our premier software partner, often consulting them before we make any major changes to our systems,” says O’Reilly. “Mike Burge, Roger Johnson, and the rest of the MI9 team are extremely knowledgeable and are always willing to share their experiences. It is a great partnership.”

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