CHOYA株式会社

Shirt Maker Speeds Data Collection, Boosts Communication, with Mobile Solution

Overview

Country or Region: Japan
Industry: Manufacturing–Apparel

Customer Profile

Based in Tokyo, Choya Corporation has been manufacturing and selling shirts wholesale since 1866, and is now expanding into retail sales. A member of the Nisshinbo Group, Choya has 1200 employees.

Business Situation

Shirt manufacturer Choya Corporation needed a faster and more efficient way for store employees to collect and transmit sales data, as well as improved communication between headquarters and staff.

Solution

Choya and partner Nihon Unisys developed a point-of-sale (POS) system using smartphones running Windows Mobile® 6 as well as Microsoft® SQL Server® 2005. So far, 100 smartphones have been deployed.

Benefits

- Faster reporting of daily sales data
- Better informed managerial decisions
- Compact communications environment
- Increased efficiency, more time for sales
- Better communication between HQ, staff

"Because employees collect and transmit sales and inventory data in real time, we have reduced the reporting delay to headquarters by five to six hours each day."

Shinzo Hiki, Director and Senior Managing Executive Officer, Choya Corporation

Choya Corporation, a Japanese shirt manufacturer, needed a way to get sales data to management faster, as well as to get information from headquarters to its 220 stores. Shop employees used a cumbersome manual system to input sales and inventory data, and spent a lot of time writing reports. Plus, management could not easily communicate sales decisions to employees. Choya sought a physically compact, cost-effective communication solution. Working with a technology partner, it developed a point-of-sale (POS) system that uses Windows Mobile® phones and Microsoft® SQL Server® 2005. Now, sales data is automatically sent to headquarters in real time via the Internet, speeding reporting by five to six hours per day. Management can communicate directly with employees, and make better-informed decisions. Freed from manual data input and reporting, employees have more time to make sales.

Windows Mobile®

Situation

Based in Tokyo, Choya Corporation has been manufacturing men's shirts since 1886. The shirts are sold at 220 shops, most of which are located within Japanese department stores. Over the last several years, however, sales at department stores have slowed due to the rise of shopping malls and other economic factors, leading the company to seek out new sales channels.

The company came up with a strategy to switch its emphasis from manufacturing and selling shirts wholesale to becoming a specialty retailer of private label apparel. It implemented a plan to increase direct sales by opening retail outlet shops and creating an online store. Choya now has 10 outlet shops and plans to continue adding more, eventually expanding its retail presence into China and other countries.

Making the transition from wholesale shirt manufacturer to private-label retailer required important changes in the way Choya's 400 department store shop staff communicate inventory data and other information. Shop staff had been entering sales and inventory data manually by collecting tags from the shirts and making paper reports to management at the end of each day. Choya wanted to reduce the time between the point of sale and the delivery of information. "Now that our company had extended its business from manufacturing and wholesaling to retailing, we needed a system for getting shop data such as inventory, sales, and sales trends in real time, in order to manage manufacturing, sales, and inventory data in detail," says Shinzo Hiki, Director and Senior Managing Executive Officer of Choya Corporation. "In the past, we missed sales opportunities because we didn't know the inventory status of the shops, and feedback to the planning department was also insufficient."

In addition to automated real-time data reporting, Choya shop staff needed a simpler, more efficient data collection method that would let them focus on sales instead of on data entry. The concept of creating a point-of-sale (POS) system at the shops in order to improve data delivery was first explored several years ago. "We hoped that a POS system would promote the growth of the retail section by improving the efficiency of sales through cooperation between the head office and shop staff," says Hideto Kawakami, Head of the Information System Group and Corporate Planning Section at Choya. "We also believed a POS system to be essential in order for the SPA concept to take root throughout the company."

However, setting up a POS system in department stores was not an easy matter. A system based on personal computers was not possible, because department stores are centrally managed and do not allow computers and cash registers to be set up by individual shops. And, even if the stores did allow computers, physical space and other logistical constraints would make them impractical, as well as prohibitively expensive. "There was no space to put a PC in the shops, and even if we could have done that, the wiring would have been a nightmare. The cost factor also made us reluctant to put the plan into practice," says Kawakami. "A new system needed to be built more cheaply than one based on PCs."

Finally, to better sales data communication from the shops, Choya needed a better way for management to send messages to employees throughout the company. "To sell efficiently, we have to communicate advertisement rollout status, such as magazine ads, to the shop staff and conduct sales activities based on the information," says Hiki. "We cannot distribute all the magazines containing our ads to every one of our 220 shops. We needed some kind of

communication tool that would let us communicate to all employees in real time."

Solution

Choya partnered with developer Nihon Unisys to create a feasible POS solution that would address both the company's data communication needs as well as its messaging challenges. "The new tool had to meet the conditions of being physically light and capable of transmitting information," says Takanori Hiramatsu, Group Manager, Commerce Business Department, Nihon Unisys. The partner recommended smartphones running Windows Mobile® 6 as the best option for the POS system, with Microsoft® SQL Server® 2005 data management software on the back end. "Actually, Mr. Kawakami and I had been talking about the possibility of building a system using mobile phones for over five years, but the technology at that time was not up to the job.

"One of the biggest reasons to employ smartphones using Windows Mobile 6 is that we could secure developers easily," he continues. "We already had a reliable development framework due to our track record using Microsoft® Visual Studio® [development system] and other Microsoft products."

A Windows Mobile solution also satisfied the requirements that the system could be built more cheaply than one based on desktop computers, and that it be light and compact, while also allowing staff to enter data and transmit information.

Many Choya salespeople were already using PHS smartphones with Windows Mobile to speak with headquarters, so it was attractive for the company to continue using familiar technology. With the new system, employees

use 100 Advanced/W-ZERO3 ES smartphones running Windows Mobile 6 that are enabled with Bluetooth technology. The employees use the smartphones to wirelessly send data to in-store terminals, where the data is organized before being sent to the server at headquarters. "The data can also be sent to a printer using Bluetooth to print out such information as arrival schedules, inventory counts, and data on returned goods," says Kawakami.

The customized POS system, developed in 2008, allows employees to capture inventory data on greater detail than before. According to Hiramatsu, "the development process was very smooth."

The new POS system so far has been deployed on smartphones at 50 of the company's major shops. "Our plan is to provide smartphones to the more than 400 staff at 220 shops in Japan, and to link them to shops overseas," says Shinzo Hiki. "We also aim to use this data-collection system to make better managerial decisions."

Benefits

The shirt manufacturer's new POS system based on Windows Mobile phones makes it convenient for shop employees to collect daily sales and inventory data in the course of doing business, and the data is sent automatically to the backbone system at Choya headquarters in real-time via the Internet. Now that employees are freed from manually inputting data and creating paper reports, they have much more time to spend on sales activities. And with up-to-date and more detailed information, management can make better-informed decisions.

The Windows Mobile devices are compact in size and familiar to use, and they cost much less than PCs. Management now has a

powerful tool for communicating important information quickly to all employees, as well.

Faster Reporting of Daily Sales Data

By basing its POS system on Windows Mobile phones, Choya management no longer needs to wait until closing time for employees to report sales data back to headquarters. "Because employees collect and transmit sales and inventory data in real time, we have reduced the reporting delay to headquarters by five to six hours each day," says Hiki.

Better-Informed Managerial Decisions

Faster and more detailed reporting is expected to ultimately boost sales by helping management make better-informed decisions. "Since we can now report inventory details such as color and size, we don't miss opportunities to sell the products," says Hiki. "We also expect to reduce the number of returned goods by moving products from shops carrying a large inventory to other shops.

"In the future, we plan to accumulate and return this data to the planning department, so they can use it when developing new products," Hiki adds.

Compact and Money-Saving Communications Environment

The Windows Mobile phones provide a convenient and familiar communications environment for employees, without interfering with their sales activities. The system also saved Choya from having to install hardware and other equipment. Gartner estimates that Choya will save $17,000 per shop in initial costs compared to what it would have cost to install computers and other hardware.

According to Kawakami, "the system is not only compact and light, but also very convenient since communication can be established wirelessly among the terminals, smartphones and printers using Bluetooth. It is convenient in terms of both space and efficiency that we don't have to connect up equipment every time we need to print out information at an outlet shop."

Increased Efficiency, More Time for Sales Activities

Now that employees are freed from the tasks of manually inputting data and creating reports on paper for management, they can better focus on their sales responsibilities. "Since we can get the inventory status in real time, we save shop staff the time and trouble of manually writing daily, weekly, and monthly reports on sales and inventory data," says Hiki. "This frees them to focus on their core sales tasks," says Hiki. According to Hiki, Choya staff now have 13 more hours to spend on sales activities each month due to the reduced time they need to spend creating reports.

Improved Communication Between Management and Employees

The POS system is expected to strengthen communication between headquarters and employees in the shops. For instance, by taking advantage of productivity applications included with Windows Mobile, such as Microsoft Office Outlook® Mobile, Office Word Mobile, and Office PowerPoint® Mobile, Choya management can quickly disseminate advertisement rollout status and information on new products and standards to all staff.

"We also anticipate that formulating sales strategies, making managerial decisions based on the collected data, and promptly communicating information to the shop staff across the country will greatly reinforce sales efforts," says Hiki.

With the new system in place, Hiki feels that Choya is ready to implement future expansion plans. "We will continue the long-running

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sales business focusing on department stores, but through selling our products at outlet shops, including the Internet shop, we hope to grow our retail to a sales ratio of around 1:1," he says. "With the Chinese economy growing rapidly, moreover, we aim to sell our products to the huge Chinese market."

Windows Mobile

Windows Mobile brings the power of the Windows® operating system to mobile devices, helping businesses and their mobile employees stay connected while on the go. Windows Mobile runs mobile versions of Microsoft programs, including Microsoft Office Outlook® Mobile, Internet Explorer® Mobile, Pocket MSN®, Windows Media® Player Mobile, and Microsoft Office Word Mobile, PowerPoint® Mobile, and Excel® Mobile. With Windows Mobile, information workers get powerful software combined with the familiarity of Windows. Combined with available service plans and connectivity options, Windows Mobile–based devices, available from 42 device makers and 68 mobile operators in 48 countries, can be used to make calls, send e-mail and instant messages, surf the Web, and access critical business information even when users are away from the office.
More information about Windows Mobile can be found at:
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