

CASE STUDY

IntelliQ enables Åhléns to tackle fraud across its entire estate

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Åhléns, Sweden's largest media, homeware and beauty retailer with more than 200 stores, are using software from IntelliQ, a leading provider of comprehensive profit protection solutions to the retail sector, in a bid to tackle loss within the business. Shrinkage due to internal fraud and process errors is a significant and increasing problem for the retail sector, so in early 2005, Åhléns made the decision to deal with the issue by implementing the IntelliQ solution, a software tool designed to detect anomalies within the millions of EPOS transactions.

Åhléns already had many procedures in place and had analysed in detail its supply chain, as well as changing routines and deploying more security tagging, but was keen to implement a system that would tackle the problem in a broader way. "Loss is a big problem in the retail sector and therefore for the Åhléns Group. We recognised that the ROI in a properly used LP System was very significant and, as a result, wanted to be up and running very fast. We are convinced that we made the right decision to implement IntelliQ's software as the implementation project has been a great success," said Conny Nordberg, CIO at Åhléns.



The company has a team of analysts in place in internal audit that is responsible for processing all of the reports, and handing any cases that need further investigation directly to security within the human resources department. On-going suspect cases and new incidents are then discussed in a weekly meeting, with store managers only involved should action need to be taken against their staff.

The project

Åhléns had researched several other companies with similar product offerings, including Aspect from Fujitsu and XBR from Datavantage, but IntelliQ's software was selected as the ideal solution. Conny explained: "Part of the reason we selected IntelliQ was the very detailed project plan that they put forward, which was tailored towards our specific business requirements and built on IntelliQ's extensive experience in LP." He continued: "We needed a specialised data mining tool with effective support and knowledge transfer from the supplier, a simple user interface and the capability of producing well defined reports from the start."

Business benefits

Increasingly, major European retailers are realising the significant benefit that can be achieved using a specialist data mining solution. With over 18 customers across the UK and Europe the IntelliQ solution has demonstrated a consistently faster ROI than other LP tools. Åhléns went live in November 2005 and has delivered benefits back to the business from day one. The company realises, however, that not all cases of loss is a result of a dishonest member of staff and remains focused, primarily, in decreased loss rather than catching criminals. The IntelliQ solution can reveal a lack of knowledge of in-store rules and highlight the need for better staff training in the organisation about procedures, politics and ethics. IntelliQ's software also enabled Åhléns to uncover a significant variation in pricing in the local POS systems despite the centralised pricing policy. Importantly, staff and relevant unions were informed of the implementation of the IntelliQ software very early on. And the project had full CEO support all the way. "Therefore the implementation went smoothly", Conny says.

The future

“With IntelliQ software now in place, we now want to add data from our new POS system to enhance the analytical capabilities. We will also further train our analysts to reveal more sophisticated and automatic reporting.”

About Åhléns

Åhléns is one of Sweden's best-known brands and leading retailers. Its nationwide retail chain consists of 79 department stores in 60 towns throughout Sweden as well as 88 beauty outlets, named KICKS, and 14 homeware stores, named Lagerhaus. Åhléns also operates 17 home products stores in Norway. Åhléns' operations are focused on four business areas: Åhléns Fashion, Home, Media and Beauty. Åhléns has a turnover of around 5 billion Swedish kronor (ex VAT) and employs 5,000 staff (3,500 FTE).

About IntelliQ

Headquartered in London, United Kingdom, IntelliQ is the leading provider of Forensic Analysis Solutions. IntelliQ solutions enable clients to efficiently analyse transactional data from multiple sources and quickly identify instances of potential fraud, loss or failure of process compliance. With a strong presence in the Retail, Financial and Government sectors, IntelliQ's solutions generate rapid, substantial and sustainable returns.

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