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Director of Retail at Pebble Beach Company

Pebble Beach Tees Up Enhanced Insight in Retail

PEBBLE BEACH COMPANY PROFILE

Pebble Beach Company is best known for its world-class collection of golf courses and the world-famous Lodge at Pebble Beach located on the Monterey Peninsula in California. But Pebble Beach is also a diverse organization with 1,500 employees and more than 40 brands including luxury hotels, dining destinations, golf courses, retail stores, fitness clubs, a spa and several renowned landmarks such as 17-Mile Drive and The Lone Cypress, the iconic symbol of Pebble Beach Resorts.

Every day, Pebble Beach guests and visitors enjoy events, vacations, weddings, golfing and more. For annual events such as the Pebble Beach Concours d'Elegance, the AT&T Pebble Beach National Pro-Am, the Pebble Beach Food and Wine event and the First Tee Open at Pebble Beach, the company delivers a superior customer experience to guests on a massive scale.

One key element of delivering this experience is offering the right merchandise in the right place for the right customer — which makes Pebble Beach's retail operations a significant source of revenue and a critical area of focus for the company.

SITUATION

"In the past, developing a retail inventory report might take several hours. Beyond the time and effort required to pull and format data, there were key insights we just didn't have access to. Quite simply, we were beginning to feel limited by a lack of information."- Pebble Beach Retail Finance Manager

Between their 15 stores, an online store and three to four merchandise tents during each major event, Pebble Beach manages a full-service retail operation generating more than $32 million in annual revenue. Each store offers a different merchandise mix for a total portfolio of more than 30,000 SKUs that cover everything from resortwear to golf equipment.

In recent years, the complexity and scale of Pebble Beach's retail business began to outstrip its collection of aged data and enterprise resource planning systems. With only one Finance focused team member, it was both challenging and time consuming for business users to access and interpret data. Beyond this, reconciling information from one program with another was nearly impossible. With these issues and persistent data quality concerns, Pebble Beach felt like they were "flying blind" in some areas of retail decision-making.

For example, Pebble Beach's retail buyers have developed a deep anecdotal knowledge of the most popular merchandise for different events, store locations and even types of weather. However, without a reliable way to connect sales forecast data with inventory levels and actual sales information, Pebble Beach often struggled with stock-outs in the stores or excess inventory in the warehouse. To make matters worse, buyers and store managers were often left with very little insight into why issues occurred and how to make better decisions in the future.

When Pebble Beach brought on a new retail director with experience working with sophisticated planning technologies, efforts quickly began to coalesce to equip Pebble Beach's retail organization with a more data-oriented decision-making process.

CHALLENGE

"In the retail world, being quick and nimble is essential. When it comes to a product decision or a margin decision, waiting a few days to gather data can make that decision obsolete — the customer or the opportunity is already gone." – Director of Retail at Pebble Beach Company

Like many companies with a set of legacy data systems, Pebble Beach was concerned about the resource demands and operational interruption that a comprehensive replacement of their technologies might require. But Pebble Beach also knew they *needed* to make a change.

One of the underlying reasons for this change is that Pebble Beach plans to drive 3-5 percent retail growth primarily through its existing stores, which means that every store needs to be driving topline revenue and effectively managing expenses. The company estimated that if they could reduce stock-outs by just 0.5 percent on even a flat revenue basis, the benefits would outweigh the cost of implementing a new technology solution.

The company's motivation to create a cultural shift toward data orientation was further enhanced by plans to host the USGA 2018 U.S. Amateur and 2019 U.S. Open Championships at Pebble Beach Golf Links. To effectively welcome and serve the hundreds of thousands of visitors that will attend these events, Pebble Beach had to begin working smarter and faster in the retail arena.

SOLUTION

"Our new planning and analytics system has transformed the way we manage our retail forecasting, supply chain and retail operations. We have reduced store stock-outs and increased retail revenues but most importantly we are now able to ensure that guests can connect with merchandise that perfectly enhances their Pebble Beach experience." - Director of Retail at Pebble Beach Company

To create a solution to their data and planning issues, Pebble Beach defined a specific set of criteria:
- Ability to leverage existing systems, while improving connectivity and addressing data quality issues
- Simple, consistent access to data, whether users are on-site or traveling
- Accessible data presentation in dashboard formats useful to senior leaders
- Strong education and change management resources to ensure successful adoption

After reviewing several technology options, Pebble Beach selected **IBM Planning Analytics**. But Pebble Beach's retail team knew that they also needed a partner to ensure successful implementation, and they called upon Locus Solutions. Together, Pebble Beach and Locus Solutions were able to home in on the biggest areas of need and identify a way to make fast, incremental progress.

Locus Solutions helped Pebble Beach to see that they could enable their existing systems to communicate with one another by implementing **IBM Planning Analytics on the cloud**. IBM Planning Analytics offers the type of collaborative planning, forecasting and analysis Pebble Beach needed while also providing an accessible Excel-based interface that allows for faster user training and onboarding. With the cloud-based service, Pebble Beach can dedicate server resources to other functions and enable their IT team to focus on priority initiatives instead of server administration and monitoring.

PEBBLE BEACH
COMPANY

BENEFITS

"Before, it might take several days to respond to a data request from senior leadership. Today, I can access the relevant information, analyze it and present it in a useful format within minutes. Not only does this make my work more efficient, but I enjoy knowing that I can provide valuable information to drive significant decisions for our business." – Pebble Beach Retail Finance Manager

With IBM Planning Analytics, Pebble Beach successfully satisfied the criteria set out for the project while enabling the retail team to work more efficiently — spending less time compiling data and more time optimizing forecasts, store performance and overall customer experiences. IBM Planning Analytics meets the company's current needs but also offers area of future exploration, such as the **IBM Watson** cognitive analysis tools and sophisticated self-service business intelligence reporting and dashboarding capabilities.

Since introducing IBM Planning Analytics, Pebble Beach has seen a heightened level of accountability that is driving positive changes throughout the retail business. When a forecast is missed or a stock-out occurs, Pebble Beach can zero in on data to illuminate the issue and share insights to improve future outcomes.

Pebble Beach was able to implement their new solution quickly and thoughtfully thanks to Locus Solutions' expertise and consultative, phased approach that helped the implementation team to build internal credibility and ensure the long-term success of the solution. Pebble Beach's retail team also found the implementation process itself to be a benefit in providing employees a unique opportunity to think strategically about the goals and needs of the business and contribute to the process of building a solution.

CONCLUSION

"I found a trusted advisor and long-term partner in Locus Solutions. Locus is technically-smart about integrating data from legacy systems and also business-minded and collaborative around driving the organizational changes necessary to accelerate our retail operations." - Director of Retail at Pebble Beach Company

By introducing IBM Planning Analytics, Pebble Beach created meaningful behavioral change that empowers its retail business with actionable information.

The company's new tools have strengthened Pebble Beach's retail operations. In partnership with Locus Solutions, Pebble Beach is well on their way to creating a truly nimble, responsive retail organization that will continue to evolve and grow through data-powered decision-making.

About Pebble Beach

Pebble Beach Company, headquartered in Pebble Beach, Calif., owns and operates the world-famous Pebble Beach Resorts, including The Lodge at Pebble Beach, The Inn at Spanish Bay and Casa Palmero. The company also operates four renowned golf courses: Pebble Beach Golf Links, Spyglass Hill Golf Course, The Links at Spanish Bay and Del Monte Golf Course.

Its other famed properties include the scenic 17-Mile Drive and The Spa at Pebble Beach, and it annually hosts premier events such as the Pebble Beach Concours d'Elegance, the AT&T Pebble Beach National Pro-Am, the Pebble Beach Food and Wine event and the First Tee Open at Pebble Beach. Site of the 2019 U.S. Open, Pebble Beach Golf Links has hosted six U.S. Opens, four U.S. Amateurs, one PGA Championship, and numerous other tournaments.

About Locus Solutions

Locus Solutions is a strategy and technology consultancy that helps companies use Business Analytics solutions to achieve competitive advantage and operational excellence. Our goal is to help clients deploy and manage a complete range of information requirements ranging from budgeting and forecasting to enterprise reporting to the use of innovative Business Analytics technologies like Mobile and Search.

Our global delivery model provides an advantage to customers by delivering best-in-class solutions economically. By using proven processes, our customers are assured of consistently high levels of quality for every project.

Our consultants are seasoned professionals with deep expertise in designing, developing, delivering and managing successful projects. This includes budgeting and forecasting, reporting and dashboarding and data warehousing solutions. Whether your needs include Business Analytics strategies, first-time projects, full implementations, standardizations or enhancement services, our proven practices deliver results.