



GENESCO



- Retail focus:** Specialty footwear retailer
- Locations:** 1490+ stores throughout the U.S., Canada, UK, and the Republic of Ireland
- Founded:** 1924
- Employees:** ~21000
- Head office:** Nashville, TN, USA
- Website:** genesco.com

► An Aptos Case Study

Genesco Streamlines Omnichannel Sales Data with Aptos Sales Audit

Based in Nashville, Tennessee, Genesco Inc. is a NYSE-listed (GCO), publicly held specialty retailer with operating divisions that include several of the most popular brands in footwear and accessories.

Genesco's footwear-focused brands include the highly successful Journeys, which offers a wide variety of footwear and accessories catering to teens, and Journeys Kidz, targeting customers who are 5 to 12 years old.

In addition to Journeys, Genesco operates Little Burgundy, Canada's destination for 18-to-34-year-old customers looking for on-trend branded fashion footwear and accessories. The company also operates Schuh and Schuh Kids, one of the leading fashion footwear retailers in the United Kingdom and the Republic of Ireland.

Rounding out Genesco's impressive portfolio is Johnston & Murphy, which offers a broad

array of footwear, apparel, luggage, leather goods and accessories for affluent men and has expanded its offering to include women's footwear, handbags, outerwear and accessories. In addition, Genesco sells wholesale footwear under its Johnston & Murphy brand, the Trask brand, the licensed Dockers brand and other brands.

In addition to managing and innovating its expansive retail enterprise, Genesco places a significant emphasis on making a positive difference in the community through its *Cold Feet, Warm Shoes* community outreach program. Since the program's inception in 1989, more than 100,000 pairs of shoes have been provided to students during events where Genesco volunteers measure and fit each child to ensure a proper fit, showing the same respect and service they would receive at any of Genesco's store locations.



The Challenge

Sales Audit Operational Processes Are Tried and True for Genesco, but Mainframe Reliance Requires IT Modernization

Genesco faced a tough dilemma: while its operational processes for sales audit worked extremely well for its business, its IT systems were on an off-site mainframe, which created escalating challenges and complexity.

For starters, it was difficult to find individuals with the knowledge to work on the mainframe processes, a substantial issue since the business was dependent on these customized systems and the specialized knowledge of the individuals who maintained them. Adding to this challenge, any issues with the transaction data and/or any changes needed by the business required a mainframe programmer's involvement, placing a sizable burden on the IT department.

Genesco recognized the need to bring its systems off the mainframe and, as part of this effort, began its search for a sales audit solution to compile and validate transaction data.

The Selection

Genesco Selects Aptos Sales Audit

Following an extensive review of sales audit technology providers, Genesco selected Aptos' **Sales Audit solution** in 2011.

Genesco felt that Aptos Sales Audit was flexible and configurable enough that the company could integrate the system into the Genesco IT environment and replicate all functionality that had been provided on the mainframe, with minimal Sales Audit customization. Additionally, Genesco had previously implemented another Aptos application with strong results, which gave Genesco confidence in expanding its Aptos portfolio.



Out of the box, Aptos Sales Audit offered the functionality we needed, while fitting into the proven operational processes we already had in place.

- Chris Wrye, Senior Manager, Retail Merchandising Systems, Genesco Inc.

The Solution

Upon initial deployment in 2012, only one customization was needed to the Aptos Sales Audit application, and Genesco was able to move off the mainframe with little to no disruptive impact to the company's established processes. Included in the initial scope of the Sales Audit implementation was the integration for legacy point of sale (POS) transactions from its U.S. and Canadian business units, e-commerce sales and utilization of the Customer Liability module for layaway tracking. Feeds to downstream systems such as Merchandising, Loss Prevention, Credit Settlement, Cash Control and Marketing were migrated from the mainframe as well during this transition, in order to leverage the data populated by Sales Audit's post-audit interfaces. Also during this transition, Genesco's sales posting to GL was replaced and is now initiated by the Period-End process in Sales Audit.

In 2014, Aptos Sales Audit was integrated to Genesco's new order management system and was enhanced to utilize its Multi-stream Edit feature later that year. This allowed Genesco to reduce overall processing time by approximately 30-40 percent daily. During this integration, Sales Audit's Customer Liability module was leveraged to automate tracking of made-to-order shoes, which was previously performed manually by the Retail Accounting team.



Aptos Sales Audit has improved stability for several of our other systems, because when the reconciled data comes out of Sales Audit, the expectation and the reality is that the data is clean. We don't pass data to our reporting systems until it's fully vetted by Aptos Sales Audit.

- Chris Wrye, Senior Manager, Retail Merchandising Systems, Genesco Inc.

Fast-forward to today, and Aptos Sales Audit is helping Genesco create "one version of the truth" for transaction data across its enterprise.

All POS transactions, e-commerce sales and returns, and special-order refunds for Journeys, Johnston & Murphy and Little Burgundy in the United States and Canada – representing over 1,300 stores – are being fed into Aptos Sales Audit.

The system is responsible for "scrubbing" POS data; verifying store, cashier and employee numbers; validating UPCs; balancing transactions; and much more. (See Figure 1.)

Aptos Sales Audit has morphed into not just a critical application for Genesco, but also the application that serves as the "filter" for

transaction data before it can pass through to Genesco's downstream systems. As the gatekeeper for data introduction into Genesco's systems, Aptos Sales Audit has been very dependable.

In addition to serving as the central audit repository for Genesco's transaction data and ensuring that data is validated, Aptos Sales Audit has enabled business users, primarily the Genesco Retail Accounting group, to work with data directly – a critical advancement from the mainframe days, when only programmers could access the data. With Aptos Sales Audit, non-IT personnel can clear audit concerns and fix errant transactions, removing a significant burden from the IT staff and providing accounting users with more direct control of their responsibilities.

Another solution benefit, according to Genesco, is the ability to leverage Aptos Sales Audit for automated and customized reporting, including reports for sales recaps, media reconciliation and customer liability.

Having increased data visibility and reduced manual processes, Genesco is now beginning to utilize Sales Audit features to address omnichannel retail complexities such as determining store credit for returns and achieving a better understanding of customer purchases across channels. The detailed amount of data that is aggregated within Sales Audit is leveraged as the source for many research requests, as it is easily accessible and simple to mine either through the base application reports or with direct access to the underlying database.

Figure 1: Out-of-the-Box Contributions of Aptos Sales Audit

- Store/cashier/employee numbers verification
- Validation of bar code/UPC numbers
- Identification of missing transactions/missing store postings by day
- Transactional balancing – tenders vs. sale/return detail
- Automatic day-ending of store/dates with no audit concerns
- Duplication prevention – store/business date – and transaction-level checks
- Tracking of layaway creation, payments, cancellations and pickups using Customer Liability module
- Ability for non-IT personnel to clear audit concerns and/or fix errant transactions
- Audit trail for edits performed on transactions, changes to store/date status and/or configurations
- Recording historical reference notes through verification/audit comments

Looking Ahead

Genesco Describes Its Aptos Relationship, Plans to Expand Sales Audit Use

With nearly a decade of Aptos Sales Audit use under its belt, Genesco is committed to continuing to explore the capabilities it is taking advantage of, including features available in the latest Sales Audit release.

In March 2019, Genesco completed its upgrade of Aptos Sales Audit to version 5.1. This upgrade was handled seamlessly with no disruption to the business, despite parallel testing coinciding with continued integration to a new POS system. This

success was just another testament to the hard work of Genesco's Sales Audit team and Aptos colleagues.

When addressing its ongoing commitment to the Aptos relationship, Genesco's Chris Wrye, Senior Manager of Retail Merchandising Systems, had this to say:

"The strength of our vendor relationships carries a lot of weight with Genesco. With Aptos' team, we have the same goal, and

there's never any doubt that Aptos is trying to help us reach our strategic objectives. Another differentiator with Aptos is they aren't just telling us what we want to hear; they are telling us what we need to hear. It's very desirable to have that type of relationship with a vendor that is open, genuine and direct. The robust functionality and stability of Aptos Sales Audit, combined with the relationship we have, is why we are satisfied."



In today's environment, where understanding and meeting customer needs are critical to retaining customer loyalty, why not look at Aptos Sales Audit to assist with this effort?

- Chris Wrye, Senior Manager, Retail Merchandising Systems, Genesco Inc.

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Aptos: Engaging Customers Differently

Aptos is the largest provider of enterprise software focused exclusively on retail. Our cloud-based Singular Retail™ solutions are trusted by over 1,000 retail brands in over 65 countries. With industry-leading omnichannel commerce and merchandise lifecycle management solutions, we help retailers develop dynamic and responsive assortments, streamline operations and deliver integrated, seamless experiences...wherever shoppers choose to engage. More than 1,300 colleagues share our collective passion for engaging customers differently, and we are committed to developing relationships built on trust and tangible value by partnering with our clients to create agile retail enterprises that are built to thrive in an era of constant change.

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