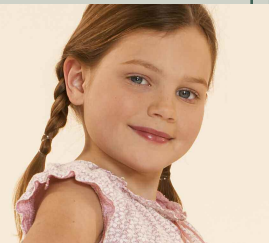


Creativity Inc.

“For us, the ROI gained from our Cognos business intelligence solution stems from improving customer satisfaction and keeping our largest customers, such as Michaels Stores and Wal-Mart, happy. We are one of the few craft suppliers that can service the large retailers in the way they want. Cognos helps make this level of service possible.”

Jim Mulholland, Vice President, Information Technology, Creativity Inc.



Creativity Inc. is a leading designer, marketer, and distributor of basic crafting, beading, organization, paper crafting, and scrapbooking products. Creativity sells proprietary designs and brands, as well as commodity products, and its clients are primarily national craft chains, mass merchandisers, and independent craft retailers. Creativity incorporates several unique branded, wholesale distribution companies in the crafts sector, including Autumn Leaves, Blue Moon Beads, Crop In Style, DMD, and Westrim Crafts. With nearly 400 employees, the company is one of the top five suppliers to the craft market.

Committed to providing superior customer service, quality, and industry leadership, Creativity is focused on ensuring that its customers are always stocked with the right products at the right time. To support this effort, Creativity decided to deploy a new CMS ERP system across its five divisions. Quickly realizing that the analysis capabilities in its ERP system were limited, Creativity decided to deploy a business intelligence (BI) solution so that employees could gain more insight into the organization and make better decisions. The company selected Cognos 8 BI to provide employees enterprise-wide with a real-time solution that could coordinate disparate data sources and locations to provide a single view of the truth.

Challenges faced

“We were generating reports from three separate ERP and Accounting packages,” explains Jim Mulholland, Vice President, Information Technology, Creativity Inc./Westrim Crafts. “As the reports were being produced from operational systems, they were limited to standard formats. We needed to remove the veil on the data so we could arrange it the way we wanted, and report only those metrics that really matter.”

Industry:

- Wholesaler/distributor

Geography:

- North America

Information Needs

- Integration with its ETL
- Low IT maintenance
- Ease of use
- Seamless integration of multiple data sources

Platforms:

- CMS ERP
- IBM DB2
- IBM iSeries
- Microsoft SQL server

Users:

- 75

Solutions:

- Cognos 8 BI
- Cognos 8 Planning
- Cognos Data Manager
- Cognos PowerPlay
- Cognos Support Services
- Business Intelligence Competency Center (BICC)

Benefits:

- Improved monitoring capability into key metrics, such as fill rate
- Increased efficiency through standardized reporting
- Better and quicker decision-making with a single version of the truth
- Easy access to information that is more accurate and timely
- Significant decrease in time required to close books
- Increased profitability through improved forecasting

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A key metric that Creativity needed to manage was its customer fill rate, with most customers requiring 95 to 100 percent fill. “Meeting or exceeding our customer expectations in this area is critical to the company’s ongoing success,” states Mulholland. “Although we had some summary-level insight in this area, we wanted to provide our supply chain team with daily and weekly details so that they could improve their management of this important customer metric.”

Strategy followed

Before deploying a BI solution, Creativity needed to put an information management structure in place. First, it consolidated its five divisions into the CMS ERP. Next, Creativity standardized the data in the system and cleansed it into a cohesive warehouse platform. Then the company embarked on selecting a BI solution.

Creativity considered BI solutions from Cognos, Hyperion, and MicroStrategy. The company’s key requirements were seamless integration with multiple data sources, minimal IT maintenance, and ease of use. Creativity used a proof of concept to help evaluate the companies.

“We wanted to test the companies with real-life scenarios so we could easily judge them head-to-head,” states Mulholland. “Cognos was by far the best in delivering on the proof of concept. The Cognos team really showed us that they understood what we wanted to do, and made the product work with our data.”

Another important component of the decision-making process was the supporting products that the companies offered. Creativity needed a data integration tool. “Cognos had the most comprehensive, end-to-end solution,” notes Mulholland. “And Cognos Data Manager was the best tool of the three by far. It was well developed, had a great interface, and really solved the integration needs we had.”

“We selected Cognos because it was the clear winner on both functionality and the sales process,” comments Mulholland. To kick off its implementation, Creativity loaded its new data warehouse with Cognos Data Manager. Creativity then tapped the expertise of Cognos partner Acumetrics Business Intelligence (www.acumetricsbi.com) to help build a data warehouse, which was primarily fed information from the ERP on an IBM iSeries server. Additionally, Creativity enlisted training help from Acumetrics and Cognos partner Merador.

Creativity has also had the opportunity to use the Cognos Support knowledge base and phone support. “Most of the time, we were able to search the knowledge base and find what we needed quickly and easily,” says Mulholland. “On the few occasions we called in, we found the Cognos staff very pleasant and helpful.”

To help enable employees take full advantage of their BI solution, Creativity also established a Business Intelligence Competency Center (BICC), known internally as its Analytical Center of Excellence (ACE). Considered a part of the 8-person IT team, the BICC is tasked with maintaining the company’s BI solution, which is deployed throughout the five divisions. The BICC is also responsible for the company’s reporting, analysis, and future BI requirements.

Pleased with the proven track record of its Cognos solution, Creativity has standardized on the solution. Most recently, Creativity completed the migration to Cognos 8 BI, using Cognos Data Manager to help with the information conversion. Creativity relied on Acumetrics to deploy the new software and build a portal with Cognos 8 BI called CRAFTnet, an acronym for Creativity Reporting Analysis and Forecasting Tool. “Acumetrics did a fantastic job,” praises Mulholland. “We considered them an extension of our staff.”

Moving forward, Creativity has many projects it plans to finalize by the end of 2007. Within the next six months, the company will begin developing dashboards using Cognos 8 BI, and expects to deploy Cognos 8 Planning, which is already being tested in-house. Creativity will also integrate its international vendor data into its data warehouse to provide a view into the entire supply chain cycle, including suppliers, warehouses, and customers.

Benefits realized

With Cognos 8 BI, Creativity has increased its efficiency by standardizing its reporting. Equally importantly, users are able to access a complete, consistent, real-time view of business easily and quickly through the Cognos 8 BI portal, CRAFTnet. As a result, information is more timely and consistent, providing employees with the foundation needed to make better and more informed decisions aligned with corporate objectives.

“By using Cognos 8 BI, we are beyond the point most companies hope to reach with data accuracy,” states Mulholland. “Employees can now speak confidently about our data, and easily match up reports and metrics, knowing that they are speaking the same language.”

Cognos has given Creativity a competitive advantage in the \$10 billion crafts industry.

Not only has it enabled the company to meet key customer requirements such as fill rate, their experience with Cognos has allowed them to speak intelligently with customers and vendors about market conditions.

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Tapping the analysis capabilities of Cognos 8 BI, Creativity has been able to improve its forecasting. Now employees can identify trends in sales, and proactively adjust the supply chain. This gives them the agility to respond to opportunities in the market faster. “That is an advantage for us in terms of profitability and margins,” notes Mulholland.

Another benefit the company has experienced is a significant reduction in the time it takes to close its books. In the past, the process took approximately 21 days and was based solely on information from the company’s ERP. With Cognos 8 BI, this cycle has been shortened to 12 days. “The data is now available to the finance team sooner,” comments Mulholland. “Cognos 8 BI has been a tremendous asset in closing the books earlier.”

User feedback on Cognos 8 BI has been overwhelmingly positive. “There was certainly an information-starved group here,” emphasizes Mulholland. “Once we started feeding them the data, they just wanted more.”

Further, the management team has echoed similar types of praise. Using Cognos 8 BI, Creativity now emails its management team key reports every day and at the end

of the month. It also runs reports to send to its board of directors. “With Cognos 8 BI, management is able to ensure that information is flowing properly and accurately, and really reflecting the key business metrics,” explains Mulholland. “The executive team and our board love the Cognos reports!”

Mulholland sums up his Cognos experience, “I recommend Cognos all the time. The company has a well-thought-out strategy, and the solutions require minimal support from IT. It has been a very positive experience.”

About Cognos

Cognos, the world leader in business intelligence and performance management solutions, provides world-class enterprise planning and BI software and services to help companies plan, understand and manage financial and operational performance.

Cognos brings together technology, analytical applications, best practices, and a broad network of partners to give customers a complete performance system. The Cognos performance system is an open and adaptive solution that leverages an organization’s ERP, packaged applications, and database investments. It gives customers the ability to answer the questions — How are we doing? Why are we on or off track? What should we do about it? — and enables them to understand and monitor current performance while planning future business strategies.

Cognos serves more than 23,000 customers in more than 135 countries, and its top 100 enterprise customers consistently outperform market indexes. Cognos performance management solutions and services are also available from more than 3,000 worldwide partners and resellers. For more information, visit the Cognos Web site at <http://www.cognos.com>.

