

# OFFICEMAX

CASE STUDY

Office supplies giant OfficeMax, like many retailers in 2009, faced significant challenges. Consumers were hardly spending – they bought only what they absolutely needed, and often held out for dramatic discounts. And when it came to stocking merchandise, OfficeMax was uncertain about what and how much to order. After reviewing a total of 13 database products, OfficeMax selected the ParAccel Analytic Database (PADB).

## The Need to Fill Shopping Baskets

### CHALLENGES

- Reduce time necessary to access information on effectiveness of merchandise promotions
- Gain better insight into consumer demand in order to assess inventory needs accurately
- Increase shopping basket size by motivating consumers to purchase additional items

### SOLUTION

With PADB, OfficeMax now has rapid access to granular consumer and product data that is helping the retail chain better understand purchase affinities, predict consumer shopping patterns, and maintain proper inventory levels – which is all leading to bigger market basket sizes and faster turnover of merchandise.

### BENEFITS

- Dramatically reduced data loading times – loading a week’s worth of data now takes less than one minute, instead of hours
- More accurate predictions of consumer shopping levels
- Fine-tuning of inventory levels and fewer “safety stock” misjudgments

Naperville, Ill.-based OfficeMax evolved from a lumber company operation founded in the early 20th century and today, is a leader in business-to-business office products solutions and retail office products. From paper clips and pens to executive chairs and laptops to in-store print and document services, OfficeMax provides supplies and support that help to keep business humming at enterprise-level organizations, midsize and small businesses, and individuals’ home offices.

Like most retailers navigating the depths of the recent economic downturn – now dubbed the Great Recession – OfficeMax watched its profitability shrink as fearful consumers slammed shut their wallets and downsized businesses severely cut spending on even the most basic supplies. The company needed to find ways to reinvigorate the flow of customer traffic to its 1,000 stores and compel shoppers to increase their basket sizes by buying more than just the items on their prepared shopping lists.

This meant digging deeper – and faster – than ever before into its customer and product data warehouse to analyze consumer shopping patterns and fine-tune sales strategies. However, OfficeMax’s existing solution for high-volume data processing and analysis had speed limitations and required extensive and frequent tuning. “We had more than enough data,” said Charlie Baugh, Senior Vice President of Information Technology of OfficeMax. “But we couldn’t access it or interpret the information fast enough to make adjustments with our inventory, promotions, merchandise selection and displays so it would translate to more sales. It took us almost three hours to extract just one week’s worth of retail sales data from our database.”



“ParAccel proved to us on the spot that the PADB could help us meet those business-critical goals.” –CHARLIE BAUGH, SENIOR VP OF INFORMATION TECHNOLOGY OF OFFICEMAX

### RAPID MARKET BASKET ANALYSIS: DELIVERED

OfficeMax began its search in 2008 for a new analytics solution that would deliver high performance and integrate seamlessly into its existing analytics environment, which included Oracle databases and Sybase database management and business intelligence software. After extensive due diligence that included 12 other database products and concluded with an on-site POC comparing two columnar-massively parallel processing (MPP) database vendors, OfficeMax selected ParAccel's Analytic Database (PADB).

In this comprehensive POC exercise driven by OfficeMax, the PADB demonstrated more than 20 times performance improvement over the retail chain's current data warehouse environment. In fact, ParAccel's PADB was the only solution that met the requirements of a demanding market basket analysis (complex analytic queries that require sophisticated joining on detailed sales history). In the on-site trial, the PADB ran highly complex, ad hoc queries in less than 20 minutes.

“We needed a data analytics solution that would help us to improve our merchandizing capabilities and optimize promotions, shelf space and product placement for promotional selling seasons and everyday offerings,” said Charlie Baugh, Senior Vice President of Information Technology of OfficeMax. “ParAccel proved to us on the spot that the PADB could help us meet those business-critical goals.”

ParAccel is now providing OfficeMax with an integrated data warehouse platform and analytics capabilities – and loading one week's worth of data takes less than one minute, instead of hours. OfficeMax is also taking advantage of ParAccel's Blended Scan, which combines local disks with a client's storage area network. This patent pending feature integrates a storage area network (SAN) and local disks to deliver the industry's best analytic query performance leveraging SAN-enabled capabilities for high availability and disaster recovery.

In addition, OfficeMax is able to complete comprehensive market-basket analysis based on detailed sales history

from multiple storage locations and files. OfficeMax can drill down by specific categories, SKUs, geographies and stores, and retrieve relevant results in just seconds. With PADB, OfficeMax is gaining a better understanding of purchase affinities, predicting consumer-shopping patterns, and maintaining appropriate inventory levels. As a result, the retail chain is seeing significant increases in market basket sizes as well as faster turnover of its merchandise.

“Not only can we meet consumer demand, we are able to anticipate it,” says Charlie Baugh, Senior Vice President of Information Technology at OfficeMax. “With the insight into our data that the PADB provides, we can also make appropriate adjustments to our inventory and avoid making mistakes with ‘safety stocking,’ which helps to protect our bottom line.”



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