Sport Chalet builds winning business process with HP infrastructure

HP Integrity servers and HP StorageWorks storage are a solid foundation for SAP ERP 6.0

SPORT CHALET

"HP and HP's partner Enterprise Computing Solutions responded with a complete solution, including hardware, services and training. When we were ready to go, they said, 'We can ship your development environment today."

– Ted Jackson, Vice President – Information Technology and Chief Information Officer, Sport Chalet

Industry: Sporting goods retailer

Solution: Infrastructure to support SAP business process transformation

Objective:
Support continued growth and enable Sarbanes-Oxley compliance

Approach:
Implement SAP® ERP 6.0 on an infrastructure of HP Integrity servers and an HP StorageWorks disk array with tape library

Business technology improvements:
• Streamlined and standardized business processes
• Consolidated and simplified technology infrastructure
• Standardized on HP servers and storage
• Enabled access to business intelligence across the enterprise

Business outcomes:
• Integrated technology enables Sarbanes-Oxley compliance
• New platform supports future growth
• Access to business intelligence empowers store managers and staff to deliver better service
• Provides stock visibility by color/size/location and cost/retail price
• Enables pricing by location to maximize revenue
• Integrated HP-SAP solution provides one-stop shopping, increasing staff efficiency

Sport Chalet is a retailer of high-end specialty sporting equipment and services. For nearly 50 years, the company has grown steadily from a single store to more than 50 locations – with annual sales of $400 million. Over the years, the company's business technology began to reach its limits. Some applications first ran on Wang hardware, and were still running under COBOL. Sport Chalet needed a computing environment that could support continued growth and meet the standards imposed by the Sarbanes-Oxley Act (also known as the Public Company Accounting Reform and Investor Protection Act).

Getting into the game
Sport Chalet first looked at integrated retail management systems in the 1990s, and concluded that the company was too small (at around $200 million in

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annual sales) for the systems available at that time and that many of those systems lacked the functionality of the legacy applications they were maintaining in-house. Instead, they decided on a best-of-breed approach, employing niche applications from independent software vendors, with a legacy Enterprise Resource Planning (ERP) system at its core. "The niche solutions had good functionality," says Ted Jackson, Vice President – Information Technology and Chief Information Officer, "but interfacing them through the ERP system created a mish mash. It was a very complex solution."

In addition, the local company that developed it stopped supporting the legacy ERP system. Sport Chalet's business technology foundation was crumbling, and something had to change quickly.

The sporting goods retailer saw two options: double the size of their lean technology team and hope to keep their aging systems working well enough to meet their needs; or build a new, much more efficient, highly automated system that could do everything they needed and more, while minimizing the need to hire new people. Sport Chalet chose the latter, deciding to launch a complete business process transformation.

Building a championship team
Working with the consulting firm Bearing Point, Sport Chalet evaluated the current situation, identified options going forward, and defined future goals and the requirements to meet them. After issuing an RFP and evaluating responses, Sport Chalet selected SAP ERP 6.0 with mySAP 2005 for Retail as their core software solution.

The next step was to select a hardware platform. "We compared HP, IBM and Sun," says Jackson. "We did not have a specific weighting formula, but took a holistic view. We concluded that HP would give us the lowest total cost of ownership."

The Sport Chalet technology team also liked the one-stop shopping HP could provide, with the complete infrastructure solution – servers, storage, backup, management software, networking and services – all from one source. They also determined that HP Integrity servers with Intel® Itanium® processors would deliver the performance they needed. "We had doubts about Sun's technology roadmap," says Jackson. "The IBM chip set was near end of life, and going to the next chip set would require a forklift upgrade. Looking at available benchmarks based on the SAP ERP 6.0 solution we were getting, we decided that the Itanium chip set out performed the others."

To work with Sport Chalet, HP called in Enterprise Computing Solutions (ECS), a Platinum level HP partner with extensive experience in retail. As an HP SAP Solutions Elite partner, ECS brought to the table strong expertise in sizing and designing HP configurations for SAP solutions and working with SAP system integrators – expertise that would help Sport Chalet get a complete solution at the lowest total cost of ownership.

"ECS had commitment and industry knowledge," says Jackson. "They came in and said, 'Here's what you need and here's the cost.' As they added training and other support, the deal only got better. The basic solution never changed."

The total solution response from HP and ECS was in contrast to IBM's piece-meal approach. Explains Jackson, "When we said we needed a new hardware platform, IBM said, 'OK, we'll bring in an AIX box. 'When we said, 'What about storage?' they said 'OK, we'll bring in a SAN.' And when we said, 'Where are the switches for the SAN?' they said, 'OK, we'll bring in switches.' IBM responded with pieces of technology, not a total solution."

> "There is great value in the completeness of the HP offering, letting us get everything from one source. It's not just a pricing issue; we can get good pricing with multiple vendors. But when HP supports our core business, it is more efficient to have HP support other areas as well. We can get rid of multiple operating systems. That lets our staff become better trained in HP, because they are not so spread out and can concentrate on knowing one system. Our people can get more done, and we do not need to add staff as the business grows."
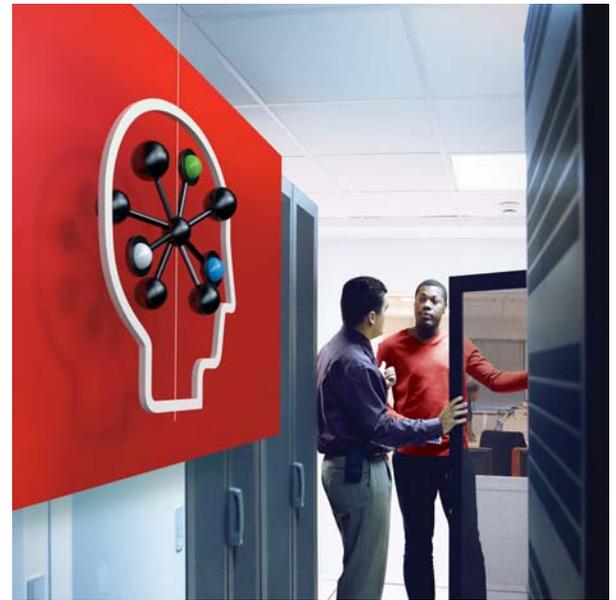
Having the right equipment

Seven HP Integrity servers run the SAP infrastructure – including development, quality assurance and production environments. An HP Integrity server blade with Itanium processors runs the SAP business intelligence quality assurance environment. Another HP Integrity server blade is a production application platform, and load balancing is performed by an HP Integrity rx3600 server. HP Systems Insight Manager allows control of storage and servers from a single screen.

"HP server blades are an investment in the future," says Jackson. "With the HP BladeSystem enclosure, we can add a server just by buying a board, for a lot less than the cost of a server. We also plan to put a blade solution in our warehouse 50 miles away and replicate to it for disaster recovery."

Like all retailers, Sport Chalet has huge databases; every backpack and running shoe comes in many different sizes and colors, and each one needs a separate part number. Storage for the SAP environment is on an HP StorageWorks Enterprise Virtual Array (EVA). "The EVA delivers a high level of automation and self-tuning, virtualization, ease of use and ease of implementation," says Jackson. "Our plan is to consolidate all storage on our HP EVA."

HP Data Protector Software and the HP StorageWorks MSL6060 tape library work together seamlessly to provide backup for critical SAP data and network applications, including Microsoft® Exchange e-mail. "Data Protector is very well integrated with Exchange," says Jackson. "For example, Data Protector lets us restore an individual mailbox, rather than having to restore the whole system and slow everything down."

Victorious performance

With its breadth of applications, scalability and integration, the SAP-HP environment gives Sport Chalet the infrastructure to expand. "As we implement more processes into SAP," says Jackson, "the SAP-HP solution provides the configurability and flexibility to let us keep improving these processes as we grow."

Business process transformation also helps Sport Chalet meet its compliance objectives. "Now we can have standardized processes for everything," says Jackson. "Take expense purchasing. Before, if we had a leaky sink, we would just call the plumber and worry about the bill later. Now we have a standard approach with a PO, an approval process and audit trail – the key for Sarbanes-Oxley compliance."

Improved business intelligence helps Sport Chalet deliver the high-end service on which they built the company. If a customer comes into a store in July looking for equipment for a ski trip to Chile, they have it all. Making that possible requires the tight control and deep understanding of inventory that the SAP transformation enables.

"Business intelligence empowers store managers," says Jackson. "They are able to see inventory by color, size, location, cost and retail price. We have the ability to price by location, and we are developing more BI reports as we learn more about how to use the data being provided."

Staying lean while setting the standard with HP

Sport Chalet's long-term strategy is to standardize on HP platforms. "There is great value in the completeness of the HP offering, letting us get everything from one source. It's not just a pricing issue; we can get good pricing with multiple vendors. But when HP supports

Customer solution at a glance

New infrastructure to support SAP business process transformation, continued growth and Sarbanes-Oxley compliance

Primary applications
- Enterprise resource planning
- Business intelligence

Primary software
- SAP ERP 6.0
    - mySAP 2005 for Retail version
    - Master File (MM) module
    - Financial and Controlling (FI/CO) modules
    - Store Retail System (SRS) module
    - SAP NetWeaver® Business Intelligence 7.0 data warehouse module
    - Point of Sale Data Manager (POSDM) module
    - Solution Manager module
- HP-UX 11i v3 operating system
- HP Systems Insight Manager
- HP Data Protector Software
- Microsoft Exchange e-mail

Primary hardware
- 3 HP Integrity rx6600 servers
- 4 HP Integrity rx3600 servers
- 2 HP Integrity BL860c server blades
- HP ProLiant DL380 G5 server
- HP StorageWorks Enterprise Virtual Array (EVA) disk array
- HP StorageWorks MSL6060 tape library
- 4 HP ProCurve 5612 core network switches
- HP 3400cl fiber switch to link in a third-party SAN
- 15 HP ProCurve 2650 switches in stores
- 3 HP ProCurve 2810 gigabit switches for the Distribution Center

HP/ECS Services
- Infrastructure sizing and design
- Installation and startup
- Consulting and integration
    - Project management
    - SAN design and configuration
    - Data Protector implementation
    - Documentation
- Staff augmentation
    - Database administration
    - HP-UX system administration
- Education and training

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At the same time, Sport Chalet kept its technology operation lean and economical. "The only other way we could have met our goals was to add more people to the payroll both in technology and in the business areas," says Jackson. In fact, they added only one more technology person to support SAP. Jackson concludes, "We believe we have implemented one of the lowest total cost SAP installations in the retail industry."

About Sport Chalet

Sport Chalet Inc., www.sportchalet.com, founded in 1959, is a leading operator of full service specialty sporting goods stores in California, Nevada, Arizona and Utah. Throughout its 52 locations the company offers more than 50 services for the serious sports enthusiast – from kayaking instruction, to custom golf-club fitting and scuba boat charters.

About Enterprise Computing Solutions

An HP Platinum Partner, Enterprise Computing Solutions, www.ecomputingsolutions.com, provides technology infrastructure solutions and services for large and mid-tier companies throughout California. Founded in 1995, ECS helps diverse companies apply technology to improve business performance.

To learn more, go to www.hp.com/go/manufacturing
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