Step 1: Read the case study and supplemental material along with Chapter 6 from the Spewak Text. Study the business capability maps that are included with the case study materials.

Step 2: From the case study materials and other sources like journals, or BJ's web site, or financial filings (Google for EDGAR) create a set of Company and EA principles that are specific to BJ's wholesale. This is not "We want to make money" and "Crush Sam's Club". These are principles that you can find that are specific to the way BJ's wants to run their business. Use the template in the TOGAF specification for principles. See if you can create EA level principles and not ones for sub-architectures such as data or technical or application architectures.

You should always list the source of information you used for determining the principle.

Step 3: From the case study materials AND external references you can find create Application Descriptions (similar to the examples in Spewak Chapter 6) for the Information Resources Catalog (IRC) for BJ's Wholesale applications. **The IRC reflects the state of BJ's at the time of the case study.** The Application Description should have the following sections with data filled determined to the best of your ability from the sources. DO SOME RESEARCH. Additionally, create a placeholder application (or applications) for any business capabilities that don't seem to have an existing application.

Make sure you list sources of information.

Part one: Business Summary

- A short name (acronyms or abbreviations) and the long name (official name) assigned to systems.
- The project manager or person responsible for maintaining that application, along with the phone number.
- The owner or business department responsible for the requirements and functions of the application.
- A plain language definition of this application and what it does. The definition is intended to be read by people throughout the organization. However, it does not describe "how" the application works.
- The business functions supported may also be listed. **These are the business capabilities.**

- **The status of the system, such as operational, planned, or obsolete.** The status notes include changes scheduled for the coming year.
- Long-range issues are changes that may occur in the future, but are not definite.
- Organization units identified in the business model may be linked to the application.
- Maintenance or other direct budget costs to the application, if known, may be given.
- The number of people in IS that are assigned to maintain this application.

Part Two: System Technical Aspects

- Year implemented. Latest Revision.
- Whether the application is primarily batch, online, or both.
- The frequency of running the system, such as daily, weekly, or monthly.
- The time within the frequency when the application runs.
- The equipment, hardware, or physical technology platforms used. **Important. Do not skip this.**
- The network(s) or communication platforms used.
- The software platforms used.
- Preceding systems are those systems that must execute before this application.
- Succeeding systems are those systems that can only be executed after this applications has been run.
- Additional notes are for miscellaneous material relevant to this application.
- Who provided this information, when they provided it, and the most recent update.
- Finally, a note whether supplemental material or documentation was collected.

Step 4: Submit this portion of your Case Study Analysis to the Dropbox by the date specified by the facilitator.

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BJ's MDM, ERP, BI overhaul begins with comprehensive data planning

For some, a new CEO preaching the gospel of growth means the opportunity for an IT overhaul.

Two years ago, when Herbert Zarkin returned as CEO for Natick, Mass.-based BJ's Wholesale Club Inc., he returned urging growth for the business.

"His message was very much around moving the business forward," said John Polizzi, senior vice president and CIO with BJ's. "The IT leadership looked at it as an opportunity to sell the executive team on the first long-term investment strategy for IT."

Polizzi's plan was not an investment in a master data management (MDM) system, or an ERP implementation, or a point of sale (POS), but rather all of them -- and more. BJ's is embarking on a five-year transformation of its IT infrastructure and systems.

BJ's, a wholesale shopping club with more than 175 member locations across the eastern United States, was running many of its internal systems on mainframe computers, some more than 20 years old. The wholesaler's IT transformation required a comprehensive planning process. Most experts and analysts agree that initiatives like these demand that organizations plan ahead, involve business and IT, bring in help where it's needed, and launch projects in stages in order to avoid taking on too much at once. So far, BJ's seems to be making all the right moves.

The company brought in Deloitte Consulting to help establish a retail-oriented strategy. Deloitte and a team from BJ's developed the multi-year IT strategy over six months, with an additional two months to prioritize and get approval for the projects. The board of directors gave it full approval last December.

Preparing for growth

First, BJ's established the business drivers -- and facilitating the company's growth is clearly at the core of the project, according to Polizzi.

"BJ's is talking about getting back on a growth path that would be 5% to 7% in square footage -- meaning sales floor -- which equates to seven to eight new clubs [per year]," he said. "To support the growth needs and potentially new markets, we have got to have systems that have the flexibility to deal with whatever we're going to deal with, plus allow us to get economies and efficiencies from our team members outside of IT in using these systems."

The first two years focus heavily on the most critical operating systems, Polizzi said.

- Point of sale
- Gas (BJ's sells gas at some of its clubs)

- Warehouse management
- Payroll

"We took an initial approach that the important thing is to build out the operational systems," Polizzi said.

BJ's will be through the pilot phase with its new POS system within a year and a half, and 180 clubs will be on the new system within five years.

More on master data management

Find out why some analysts say a recession is a great time to start an MDM initiative

Learn how customer data integration helped one bank personalize customer interactions

"The selection of the product, design and testing is pretty rigorous, because in retail your point of sale is a revenue system," Polizzi said.

Ultimately, he said, the operational system will serve as the runway for the ERP implementation.

By year three, BJ's will have selected an ERP system and will have finished requirements and design by year five or six.

"You have to build that straw man strategic model and work through it organically," Polizzi said. "There is no one right answer."

Building a team

Establishing the plan was obviously a critical step in the process, and BJ's took care to include interested people from around the company.

"This isn't an IT initiative, it's a BJ's initiative," Polizzi said. "We identified key senior people in our divisions -- merchandising, logistics, finance and HR, marketing and sales operations [the clubs]. We're building an understanding and gathering a broad base of input to refine our approach."

BJ's is also bringing in help where needed. Staff can't devote every hour of the day to long-range planning.

"The reality is you have to also run the day-to-day business," Polizzi said.

IBM is playing a big role in the POS system. Likewise, Deloitte is playing a big part in systems integration with the HR/payroll systems.

Much of the work is now under way. IBM is helping with the requisition and design of the POS system, the gas system is in the vendor selection mode, the warehouse management system's second implementation was completed in July, and the PeopleSoft payroll system implementation is under way.

Read part 2 of this story as BJ's CIO John Polizzi describes how MDM and BI fit into the puzzle.

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BJ's IT overhaul lays groundwork for BI, MDM

BJ's Wholesale Club Inc. is in the early stages of a five-year plan to overhaul its aged IT systems as part of a CEO-led growth plan. In Part 1 of our coverage, CIO John Polizzi explained how the company established the plan and began the project with its operational systems, warehouse management, point of sale, gas, and payroll, all of which will lay the groundwork for a new ERP implementation.

As BJ's systems are being overhauled, the company is now taking a close look at product and data management -- pursuing a master data management (MDM) initiative. There are two separate components to the initiative, Polizzi said -- a business and a tactical project.

"When you talk about data governance and data quality, the master data management approach is the foundation piece," he said.

It's a step that demands careful consideration lest it undermine the investments made in software. Legacy systems tied to specific applications, and software packages without the right data quality processes and standards, mean that an organization can wind up with incorrect data tied directly to the functional applications, Polizzi said.

"You wind up with data that can get bastardized very easily or corrupted very easily because of application requirements," he said. "That is why we chose the membership and product data management system as the first two areas where we are going to look to externalize our master data from any application. Then, as we choose an ERP system, that will be the data source that feeds the ERP data.

"For years, everybody said, 'Well, you just tie the application into the application databases.' The restrictions with that, especially in a retail environment, are as you get into multiple channels, the data requirements for products are a lot different than the data requirements you traditionally use for merchandising or for your clubs," Polizzi said. "The attributes around that data build on what you have but go quite extensively in other ways. So this idea that the data has to be tied to the specific application hasn't made sense for a while. We're going in the MDM direction at least in the first two data areas -- membership and product."

Not to be left out, an updated enterprise architecture and an integration architecture are both in the planning stages as well.

"It's critical we establish that early on and [understand] how we are going to leverage integration technology," Polizzi said.

Banking on business intelligence

Meanwhile, Polizzi is also keeping his eye on business intelligence (BI).

"What we're realizing is that it is going to be three years before we seriously look at ERP solutions, and we have, like most companies, a large number of siloed data sources used by different divisions to do analytics and reporting," he said. "We have the problem where one division will run one report off of one data source,

and another will run what they think is the same solution, or the same questions are being answered of another, and we'll get two different answers."

Built into BJ's five-year plan is a BI road map evaluating the current and future analysis needs and how the company will establish the right combination of people, process and technology to reach its milestones.

"We're also in the process of getting approved quick wins to improve critical data sources to support merchandising and finance," Polizzi said. "Because ERP is three to four years out, we need to make sure we're providing the right information to support the business in the interim."

More on business intelligence software

Find out why a data warehouse appliance proved to be a winning bet for Foxwoods

Read about Microsoft's recently announced self-service business intelligence tools

Spearheading the BI planning is a team made up of key people in the finance and merchandising operations. They have identified four key reports that are needed to drive analytics at BJ's.

"It's great to say you have all these roadmaps, but in the interim you have to get some of the work done," Polizzi said. "That's why we split into two initiatives. We do need to do the longer-term work and say how we're going to get to an enterprise view data warehouse, the proper data stewardship and data governance and what are the right processes and approaches we should be taking -- everything from dashboards to analytical reporting."

Like many organizations, BJ's has multiple data warehouses across the organization and multiple tools for accessing that data favored by different departments.

"We're not going to get into religious wars over the tools," Polizzi said. "We're going to figure out over time how to rationalize it so we can do an effective job of training and making the right tools available to the right groups."

Planning for the short term, preparing for the long term

An IT initiative, especially BJ's, is not a one-and-done process but rather an evolution.

"The reality is when you're building a five-year strategy, you're re-looking at it every year and saying, 'OK, what am I going to do in the next 12 to 18 months, and does that tie into what I plan to do in the next 36 months, and then what does that do to the overall program I established,' " Polizzi said. "Is it still reasonable? Have the business priorities changed?"

Organizations need to match business objectives with the framework of the IT plan at least annually. Events like an acquisition or new competition may also demand an adjustment in strategy. For BJ's, it's so far, so good. The company has not yet made any changes to the plan, Polizzi said, despite the recent economic news.

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Case Study
BJ's Wholesale Club

Additional Information

Key data areas

- Members – BJs customers are known as 'members' of the club.
- Vendors – companies from which BJs purchases product for resale
- Products
- Employees

Key data stores

- ERP application database
- Warehouse management system database
- Point-of-sale system databases
- Data Warehouse of all corporate data, used for reporting

Key applications

- Enterprise Resource Planning (ERP) – supply chain management, financials. Legacy application, heavily customized, support skills are hard to obtain
- Warehouse Management System (WMS)
- Point-of-Sale System (POS)
- Human Resource Management System (HRMS)

Key technologies

- Mainframe for ERP
- Mix of Linux and Windows servers for all other applications
- Standard server configuration for POS systems in clubs