

nChannel Case Study

AAA Washington

AAA Washington Enlists nChannel to Integrate their Innovative Retail Approach to Enhancing Customer Experiences

Overview

Country or Region

USA

Industry

AAA Washington has been making automobile travel safe, comfortable, and affordable for over a century. Today, they are the largest independent insurance and travel agency.

Customer Profile

AAA Washington operates 18 retail locations and serves one million members in Washington state and northern Idaho.

Business Situation

In 2016, AAA Washington made a strategic shift to rebrand their brick and mortar stores. They needed new POS and integration technology as contemporary as their new vision.

Solution

nChannel was chosen because of their tactical advantage. Their pre-built connectors coupled with their leadership and experience made them the right partner for AAA Washington.

Benefits

- Eliminate manual data processing that could cause persistent 24+ hour delays
- Automatically add new items and update existing ones at the field level
- Keep accurate real-time inventory updates
- Deliver financial totals for each store to GP

What's In Store for AAA Washington?

A true industry titan, AAA Washington boasts more than a century of being the preeminent provider of emergency road service and delivering excellent customer service with the mission of making automobile travel safe. As travel options have diversified beyond motor vehicles, AAA Washington changed their approach to meet the traveler where they are, with the tools they want to use. From emergency road service to travel planning to personal lines insurance to exclusive member discounts, AAA Washington built its stellar reputation on curating meaningful customer experiences. Today it is the largest personal lines insurance agency and leisure travel agency in Washington State.

AAA Washington operates an impressive 18 retail locations and serves more than one million members in Washington State and northern Idaho. As service options continue to expand and customer buying habits change, AAA Washington saw the opportunity to enhance the value of AAA membership and deliver a better customer experience by changing the way they interacted with customers at the retail level.

In 2013, the company made a strategic decision to transform their retail locations into *Cruise & Travel* stores that focused on the excitement, adventure and romance of travel, while still offering all of the great services that AAA members have relied upon for decades. A monumental effort was undertaken to convert the traditional AAA Washington offices

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into a destination where members and non-members alike can connect, explore, and shop in a contemporary retail setting. Drawing inspiration from the excitement and adventure of the travel experience, they built a concept *Cruise & Travel* store in Tacoma, Washington with the goal of differentiating the customer experience and delivering the AAA Washington value proposition at every in-store touch point. Dated office cubicles and customer service counter spaces were replaced with a light-filled, contemporary open floor plan amplified with travel merchandise, themed lounges, coffee nooks, public Wi-Fi and high-resolution visual media and graphics.

yet flexible enough to support all of their existing stores and online portals. AAA Washington evaluated its existing systems and decided its legacy point of sale (POS) system couldn't support their needs.

"We're coming from a hardcoded, intertwined, eco-system which required custom code and batch processing. There was simply no flexibility for shifting behaviors in the customer base. Our retail locations needed the ability to adapt with tools to maintain attention span in all of our customer channels. As a result, we needed to decouple ourselves from our legacy systems and implement technology that was scalable, flexible and moved at the speed of now." – **Jim Ryan, CIO, AAA Washington**



The Challenge

But this was more than just a remodel. This was a multifaceted transformation that required an extensive infrastructure change which was as forward thinking as the new retail experience. The technology behind this vision had to be as contemporary and easy to use as the store itself,

In sum, outdated POS technology tethered to immovable structures and powered by rigid operational systems built on an antiquated platform couldn't provide the flexibility mobility and support that was a prerequisite of this new design. Customers needed the ability to book a cruise, join the club, and purchase a new suitcase all while standing in the middle of a store - and AAA Washington needed the right technology to execute all of these tasks at once.

To start, AAA Washington selected Lightspeed to replace its legacy POS solution, but chose to continue using Microsoft Dynamics GP as their ERP system to manage sales and inventory for all of their retail outlets. With that change, they needed the two systems to work together but unfortunately, they weren't built to integrate with each other natively. In addition to over four thousand SKUs filtering to Lightspeed, AAA

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Washington also has transactional sales and inventory data from 18 stores passing through the system. All of this data has a timeliness factor attached to it to ensure efficient and accurate accounting between channels. Without a way to integrate the two, AAA Washington would have to resort to error-prone manual data processing that would result in persistent lag times of 24 hours or more, and up to a 72-hour delay for accounting to balance the books. Operationally, this would result in delays of new item introductions, inaccurate inventory availability and possible stock outs that would degrade the customer experience.

AAA Washington considered building the integrations themselves, but to avoid recreating a hard-coded, rigid environment with no path toward growth, they sought out a third-party vendor with the tools and expertise they needed to meet project expectations.

“We needed a vendor that could create a strong integration between Lightspeed and our Microsoft GP system. We have a message-based architecture for persistent, and high-quality interchange between systems to swap out functionality. We didn’t have time to build the individual integrations required to make it work and sought out a partner that had already built the connectors and had the knowledge base to support us. We viewed that as the shortest path to the finish line for us.” – Jim Ryan, CIO, AAA Washington

The Solution

AAA Washington narrowed their vendor list to two providers – nChannel and a past partner

who helped manage their original Microsoft Dynamics GP implementation. nChannel had the tactical advantage. nChannel’s platform-agnostic API framework, out-of-the-box POS and ERP connectors coupled with their organizational leadership and experience in the space, made them the right partner to help with their transformation.

To get started, AAA Washington piloted the entire process with their store in Bremerton Washington. They pulled together a cross-channel team that included representatives from every contingent that would be affected by POS and inventory management. nChannel was an active part of these meetings serving as a configuration specialist and technical advisor to bring the integration to fruition. To test the interfaces, train the staff and create a replicable model for future stores, the team ran the pilot for the month of December, a busy time for holiday travel and shopping, ensuring all aspects of the integration would be thoroughly tested.

The Results

With nChannel serving as a collaborative partner in developing the sales and inventory integration business process, AAA Washington was able to implement a successful pilot that leveraged nChannel to perform three critical tasks:

1. **Sync item information from Dynamics GP to Lightspeed.** nChannel performs automated new item adds and updates existing items at the field level. This process is monitored by nChannel to ensure data integrity.

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- 2. Sync inventory levels between Dynamics GP and Lightspeed.** Inventory availability is updated in real-time as items are sold in store and as items are transferred between locations. Inventory levels are also automatically adjusted based on returns.
- 3. Sync sales and return information from Lightspeed to Dynamics GP.** At the end of each business day, nChannel delivers the financial totals for each store to Dynamics GP to drive timely accounting and reporting processes.

Having successfully piloted the integration, AAA Washington decided to roll out the new system to their remaining 17 stores including all *Cruise & Travel* locations with the goal of completing the transformation by the end of March. All store migrations to the new platform integrations were completed by March 29, 2017, and today, thousands of sales transactions and hundreds of inventory updates are seamlessly flowing daily between Lightspeed and Microsoft GP.

With nChannel successfully managing the data flow between their retail locations and back-office applications, AAA Washington is looking to the future. A fifth *Cruise & Travel* store will open in

the fourth quarter of 2017, and they are already thinking about expected opportunities around mobile and expanded partnerships now that they have a strong and reliable infrastructure to support their innovations.

Our customer satisfaction scores and retention rates remain high. Our new concept stores are enhancing our brand value, and we have a seamless multichannel integration built on a supportive and flexible retail technology stack that powers the front-end customer experience. nChannel is the invisible connector that makes it all work flawlessly. With the right technology partners in place, we can now focus on building better products and experiences that will continue to provide a high-value, transformative customer engagement."

- Lori Reed, Retail Strategy & Operations Manager, AAA Washington

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