



# VERTICA AMERIPRIDE

ANALYST

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## THE BOTTOM LINE

**AmeriPride deployed the Vertica Analytics Platform from Micro Focus as part of a total data system overhaul, resulting in huge productivity savings and revenue gains.** AmeriPride had cobbled together a patchwork of data management and analytics tools that produced data silos across the business and was not scaling well with its growing data requirements. AmeriPride turned to Vertica to build a comprehensive data solution, deploying it in tandem with Informatica's data management and Tableau's data discovery solutions.

ROI: **419%**

Payback: **1.3 years**

Average annual benefit: **\$3,682,527**

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## THE COMPANY

AmeriPride is one of the largest uniform rental and linen supply companies in North America and is headquartered in Minnetonka, Minnesota. AmeriPride was founded in 1889 and continues to operate as a family-owned business. In 1997, it officially became known as AmeriPride in the United States and retained the moniker Canadian Linen and Uniform Service for its Canadian locations. It provides a variety of products, from uniforms and floor mats to cleaning supplies, to customers across the United States and Canada.

## THE CHALLENGE

AmeriPride wanted to break out of a period of stagnant growth and began to search for areas of improvement in 2014. It quickly identified that it lacked a centralized and standardized way to approach its data due to the many data silos across almost fifty regional branches. Moreover, these branches all had different end-stage processes for pulling data together and producing insights, making it hard to synchronize business intelligence (BI) efforts.

This issue had led to a long reporting cycle and limited insight into the company's huge data pipeline, so the company reexamined the data system that had been in place with the goals of providing more transparency for its customers and improving clarity into the business for its management.

**Cost : Benefit Ratio | 1 : 5.5**

As AmeriPride grew, it developed a piecemeal software stack for data management and BI reporting. The IT team at AmeriPride had leveraged an enterprise resource planning (ERP) system based on an Oracle database, and they used Oracle Data Integrator (ODI) and Pentaho as data integration tools. Part of this ERP system was a significant amount of "people middleware," that is, employees handling data processes that should really have been done with ERP software. The result was poor handling of data and losses for things like customer damage claims.

On the front-end, they then used SAP Crystal Reports and Excel to do very limited annual operations reporting, which was a slow and burdensome process because of the high data volume and poor data management structure in place.

## THE STRATEGY

The AmeriPride team started by engaging a third-party consulting group to define business goals and make a plan. They did a proof-of-concept for Vertica and chose it primarily because it was easily scalable and not as expensive as alternatives like Microsoft or Oracle. They then also selected Informatica to handle their ETL needs and Tableau to produce front-end BI visualizations and dashboards.

### TYPES OF BENEFITS

Direct 1%



99% Indirect

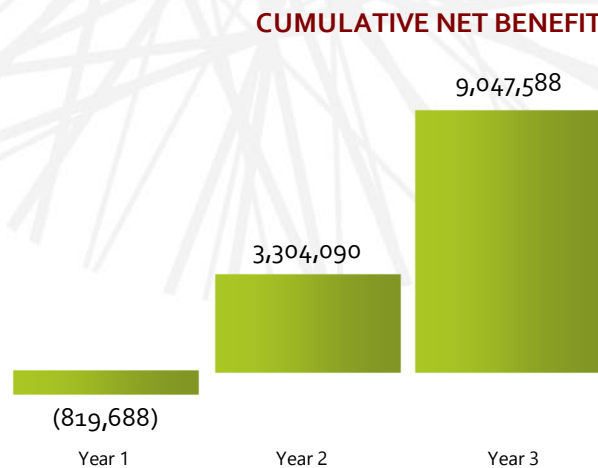
The AmeriPride team decided on a phased rollout, beginning with their database and then moving to the analytics components. In January 2016, one year after implementing their database, they began to deploy Vertica and went live two months later. Vertica now handles the heavy performance requirements of AmeriPride’s analytics reporting, running dashboards and creating aggregations. Currently, BI end-users work in Tableau as the reporting interface with Vertica on the back-end. In the near future, AmeriPride will solely be using Vertica to run advanced and predictive analytics in the database engine.

For the Vertica deployment, AmeriPride had only one server engineer and one database administrator (DBA), with the same team retained for ongoing internal maintenance. AmeriPride currently has several thousand users across the business, such as regional managers and customer service supervisors. Training took place in two segments of four and seven days respectively, and AmeriPride utilized Micro Focus’s Quick Start training program.

## KEY BENEFIT AREAS

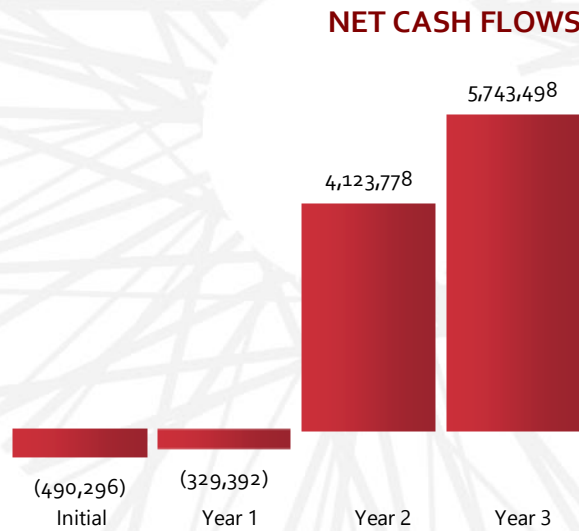
AmeriPride had four distinct areas of savings from its data project, with the bulk of savings coming in years two and three once the full analytics engine was in place:

- Legacy hardware and software costs. AmeriPride was able to eliminate software costs associated with Pentaho and SAP Crystal Reports, as well as hardware maintenance costs for Oracle.



- Increased software performance. Vertica offers greater data compression than AmeriPride’s previous solution, allowing them to store more data at a lower price.

- Increased productivity. AmeriPride has three types of users that were positively impacted by the data project. One set of users spends most of its day working on report generation and has been able to drastically speed up the reporting process by eliminating the need to stagger reports or wait for slow reports to finish. A second set uses the analytics tools occasionally and had moderate productivity savings. A third set consisted of “data gatherers” who would assemble and prep data for reporting and also experienced significant productivity gains.
- Increased revenue. After gaining insight into its company data in areas like pricing and contracting, the AmeriPride team began to understand better which products had the highest margins, where their pricing was not sticky, and how they were missing some opportunities to renew customers. AmeriPride created three data-driven initiatives to address these and other issues: a program to eliminate unnecessary loss charges from customer claims, a program to test pricing to find an optimal price structure, and a customer renewal program. Even after one year, these initiatives produced millions of dollars in savings.



## KEY COST AREAS

Costs of the project included software licensing and hardware purchases, both of which were capitalized expenses. Software licenses were flexibly priced by terabyte of data and scale easily year to year. Both software and hardware have yearly maintenance costs. AmeriPride also paid for third party consulting each year. Other costs included employee wages for the deployment team, data integration team, and ongoing internal maintenance team, as well as small training fees and employee wages lost during training time.

## BEST PRACTICES

AmeriPride is an excellent example of how diverse the benefits of a broad data project can be. While companies can easily predict savings on legacy software and can make an estimate on employee productivity savings, the creation of a “data culture” had a widespread impact on AmeriPride and created a range of new business opportunities. As with many similar analytics projects, AmeriPride executives feel intuitively that they are making smarter decisions, and it is important not to underestimate such a benefit simply because it is hard to predict. In the case of AmeriPride, it resulted in strong revenue gains from data initiatives developed only after the project was deployed and the AmeriPride team began to get insight into what was really happening in their business.

## CALCULATING THE ROI

Nucleus quantified the initial and ongoing costs of software fees, hardware, personnel time to implement and support the application, and employee training time and fees to determine project costs for Vertica, carefully delineating between the Informatica and Tableau segments of the project. For costs associated with the entire project, a reasonable and conservative percentage was assigned to Vertica.

Direct benefits quantified included the eliminated costs of legacy hardware and software. The indirect benefit quantified included increased revenue from various company data initiatives and increased employee productivity. These productivity savings were quantified based on the average annual fully loaded cost of an employee using a correction factor to account for the inefficient transfer between time saved and additional time worked. Again, for revenue initiatives reliant on the entire data project, a reasonable and conservative percentage was assigned to Vertica, varying with each initiative based on Vertica’s degree of involvement.

Benefits not quantified included savings from a simplified compliance request process. AmeriPride was required to prove compliancy for a one-time industry data audit by the Federal Trade Commission (FTC). Compared to many other companies, it was able to assemble and prove compliancy very quickly, reducing internal employee costs. Another benefit not quantified was the greater confidence that the management team now has in making decisions based on company data.