

Bintoso Overview

Bintoso was founded in 1978 as a clothing store in North Carolina. Over the years, it has expanded as a department store serving US customers. They have recently expanded into select locations in Europe.

Bintoso faces stiff competition from other department stores as well as online retailers. The revenues and margins have been trending down. Company closed many stores and laid off 10% of its workforce in the last 2 years. Unlike their competitors, Bintoso was late in starting their digital transformation journey. The new CEO (Simone Warel) hired last year from a leading online retailer is transforming the company to provide multi-channel experience.

Technology

Simone inherited aging legacy systems and processes that have not been able to keep pace with the rapidly changing demands of Bintoso customers. One of her key initiatives is to drive digital transformation of Bintoso. As a firm believer in technology enablement of all of company operations, she created a new Chief Digital Officer (CDO) role reporting to her.

Bintoso has an online commerce site hosted entirely in the US and serving customers all over the world. The site was built several years ago with a 3-tier architecture to serve a small population of online users. The site has been growing steadily in usage putting demands on site scalability and performance. A few years ago, Bintoso expanded operations in Europe setting up several physical stores. As a result, the online demand from Europe has also been growing. Dominique (Enterprise Architect) has been working on a business case and new architecture proposal for the site to sustain the anticipated demand and performance requirements.

Raphael and Muhammad started working closely on delivering new technology enabled experiences to Bintoso's customers. Intelli-Robe (a new Augmented Reality and Artificial Intelligence based system) is a first of many such experiences planned. Intelli-Robe allows customers to try out clothing and select colors/sizes in a virtual kiosk located in store. The application is very compute heavy, requiring advanced hardware and is hosted in DC3.

Employees and Culture

Most employees and leaders in the company have been around for 10 or more years. Attrition rate is low compared to other similar employers. Communication across organizations is done formally following org hierarchy and rules (VP to VP, Manager to Manager etc). Stability of the IT environment is rewarded so the IT organization has strict formal processes for change management that are largely people driven (approvals needed). Interactions between departments (e.g. Finance and Engineering, App Development and Operations) are less frequent and formal through well defined processes.

There has been renewed focus on Information Security due to recent security breaches. Samir (CISO) has been trying to staff up information security architects but has hiring challenges due to shortage of qualified IT security professionals. As a result, his team is spread too thin on security reviews and approvals of proposals from development and operations teams.

Income Statement

Bintoso, INC.
CONSOLIDATED STATEMENTS OF INCOME
(millions, except per share data)

	2019	2018	2017
Net sales	\$ 23,570	\$ 24,991	\$ 25,930
Credit card revenues, net	670	768	802
Cost of sales	(15,171)	(15,215)	(15,181)
Selling, general and administrative expenses	(7,998)	(7,039)	(8,054)
Gains on sale of real estate	162	389	544
Restructuring, impairment, store closing and other costs	(354)	(136)	(186)
Operating income	879	3758	3,855