



Enhancing customer experience by transforming the reliability of core retail systems

Luxury Department Stores | Retail



Business opportunity

In the competitive and highly seasonal retail industry, even a short period of sales downtime can significantly harm profitability and reputation. When one leading luxury department store retailer saw that customers frequently had to wait at busy registers during high-volume events, it set out to improve the speed and reliability of its systems to ensure there were no missed sales opportunities.

As an example of the complexity of its systems, cataloging goods in the service center must be precise. Many items required manual itemization, so automating the warehouse processes would eliminate manual creation and improve accuracy of stock levels and speed of delivery to customers.

With downtime rising and customer expectations increasing, the retailer sought an innovative partner to optimize essential systems.

Technical challenge

A primary challenge was that the retailer's existing application management provider offered very little visibility into its application ecosystem, which hindered the supply chain and critical decision-making. The retailer relies heavily on [SAP® software](#) for its business processes, which represents about 80% of its application stack, while the remaining 20% is custom-built legacy software. One

inefficiency was the information processing of the daily cost of sales, which took more than 15 hours and impacted the SAP® accounting workflow.

The retailer wanted to adopt an end-to-end, business-driven strategy for these core systems, incorporating high levels of flexibility, agility and efficiency. However, given extremely high customization in its SAP® landscape, it faced a significant challenge switching to a new Application Management Services (AMS) partner.

Facing an aggressive two-month deadline due to the impending contract expiration, the new provider would need to quickly understand the environment and master the necessary customizations – while working through minimal operational visibility and an incomplete hand-off from the previous provider.

Our solution

Together, the retailer and [Kyndryl Consult](#) created a new, end-to-end service operation for managing all applications, delivered by [Kyndryl Application Services](#). The new AMS capability is fully integrated with Kyndryl's Infrastructure Management Services (IMS), which the retailer has used for several years with great satisfaction.

Covering the entire infrastructure and application stack enables Kyndryl to offer an end-to-end, business-driven service. To use the latest cutting-edge software technology, Kyndryl migrated their systems to IBM Power

10 hybrid cloud-optimized servers, strengthening data security, especially in the credit department, which coordinates everything related to credit origination, physical or digital delivery of credit cards, purchases, payments, returns, voids and collection follow-up.

Furthermore, optimizing workflows has sped job processing time allowing subsequent jobs to start and finish earlier which helped reduce the daily inventory process from 15 hours to 2 hours.

Kyndryl coordinates the hands-on activities of two third-party delivery teams, adding a layer of expert technical management and governance. Additionally, adopting the agile [Kyndryl Vital Methodology](#), the joint teams hold weekly sessions to identify lessons learned and to co-create continuous improvement initiatives.

What progress looks like

Kyndryl's unified management of both the infrastructure and the applications is delivering clear improvements in performance, efficiency and reliability. Kyndryl ensures transparent operations that are fully aligned with the retailer's changing needs.

By partnering with Kyndryl, the retailer achieved the following:

- Optimizing automated SAP® jobs reduced processing time from over 15 hours to 8 minutes
- Critical workloads now run up to 40% faster
- Improved essential systems reliability to deliver enhanced customer experience
- Eliminated 100% of the time spent on manual material creation in the service center through automated processes.
- Better governance, greater security and strategic alignment across its application stack
- Introduced a flexible, scalable service delivery model to accommodate key seasonal changes
- Gained a single reliable partner for end-to-end management

About the customer

One leader in luxury department stores maintains a strong presence in the premium retail sector. The retailer accounts for approximately 15% of its region's luxury goods market, generating over 30 billion in annual revenue through high-margin categories such as fashion, gourmet food, and home goods.



Meet the team

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