

DX Strategy Division

By bringing together business and IT specialists to promote overall optimization, we will accelerate the DCM Group's efforts and aim for the next stage.

Shoichi Endo

Executive Officer
DX Strategy Div., DCM Co., Ltd.
Representative Director and President,
DCM advanced technologies Co., Ltd.



What is the DX Strategy Division?

The DX Strategy Division is the department responsible for all areas related to IT and DX areas, including DCM Co., Ltd.'s core systems, security measures, AI introduction, and the construction of data analysis platforms. In fiscal 2025, we have decided to commit ourselves to promoting IT and DX,

which will assist in three ways: increased net sales, increased profit, and business continuity. Specific system developments and measures are divided into headquarters DX, which relates to back-office operations, and store operation-related store DX.

Examples of headquarters DX

Rebuilding of merchandising systems; introduction and installation of personnel and talent management systems; promotion of AI and RPA* utilization in automation of headquarters operations; strengthening of system security

* RPA (Robotic Process Automation): A tool that utilizes software robots to automate back-office operations, thereby improving work efficiency and reducing costs.

Examples of store DX

For customer service support, development of a product knowledge system utilizing in-house product knowledge and generative AI; promotion of business reforms, such as optimizing order quantities through big data analysis; development and installation of an automated store work assignment system utilizing mathematical optimization technology

Previously, system development at DCM involved a system by which only the formulation of requirement specifications and the post-completion operation of the system were carried out in-house. All the other actual development work was outsourced in its entirety to the system vendor.

Starting from fiscal 2021, we worked to shift our policy to in-house development with the aim of speeding up system development and reducing costs.

Having as a result established detailed in-house development rules, such as the selection of applications to be

used in development, internal design, and the standardization of colors and wording in the user interface, we have been focusing on creating a system to realize in-house development.

DCM employees with experience as store managers and buyers participated in the project to accurately communicate business issues and requirements to IT specialists at DCM advanced technologies Co., Ltd. (DCM-AT), a functional subsidiary of DCM. We have thus built a system that enables business specialists (business analysts) and IT specialists to work together to advance projects.

Results and targets

Following the integration of system-related departments, the DX Strategy Headquarters was established as the core organization for promoting DX in fiscal 2020. In the following fiscal year, we formulated a Five-Year System Plan aimed at promoting in-house system development, and in fiscal 2022 we established DCM-AT to strengthen our engineer recruitment. With regard to establishing an in-house system development system, we had achieved a certain degree of success by the end of fiscal 2024.

Following this, we will move on to the next stage to further accelerate the pace of our efforts across the DCM

Group. We have been working on a next-generation merchandising system (core business system) since fiscal 2021, and aim to have completed it by fiscal 2026. From the perspective of strengthening collaboration with e-commerce and customer experience (CX), we will also promote the use of customer data and work on a variety of measures designed to improve customer convenience and expand services.

Going forward, further acceleration in the development of various systems can be expected by utilizing the in-house development systems we have built.

Column

DCM advanced technologies

Adopting a personnel system different from that of DCM itself, DCM-AT was established with the aim of strengthening the recruitment of engineers. DCM-AT primarily comprises system engineers hired as specialists in system development and business analysts transferred from DCM. The ability of both groups to work together to develop highly practical systems is a strength that is unique to DCM-AT.

The business analysts are DCM employees with extensive frontline experience, such as store managers and buyers, who utilize their personal networks with DCM to accurately ascertain on-site concerns and issues and act as bridges to the IT specialists.

The system engineers at DCM-AT are likewise not limited to their knowledge of IT. They are also actively participating in store support activities, for example, to deepen their understanding of DCM's operations and gain a practical understanding of the workplace. Having achieved a system whereby the front lines and development are integrated through this mutual understanding and cooperation between the business

analysts and system engineers, we are promoting system development that leads to real improvements in business efficiency.

The members of DCM-AT are a professional group, all of whom not only possess extensive experience in system development but also have advanced knowledge in areas such as AI, mathematical optimization, data analysis, cloud computing, and system security. As a result, despite being a small yet elite team of 30 system engineers and 30 business analysts, we are able to develop systems that directly lead to increased net sales, increased profit, and business continuity in a wide range of business areas.

Our goal for the future is to promote optimization across the entire DCM Group and reduce overlapping management tasks and costs. We will aim to create a system that allows the entire group to make maximum use of DCM-AT's resources by appropriately dividing systems that are beneficial for the Group as a whole and systems that are specialized for each operating company.

