

Merchandise Financial Planning (MFP) System Selection

Designing the future process and evaluating a merchandising solution to enable strategic planning and enhance visibility into inventory across multiple channels.

The Client

An international, multi-channel, high-end specialty retailer offering a wide assortment of apparel and sportswear for men and women, as well as products for home and pets.

The Challenge

With highly distinct channel organizations and heavy reliance on spreadsheets to perform merchandise planning, the client's focus was more on inventory management as opposed to strategic planning. As such, there was a lack of synchronization between the client's planning activities and merchandising strategy.

Further complicating this environment, the company managed a single pool of inventory with very limited visibility. Many of the merchandise buys were placed prior to finalization of plans, obstructing planning influence to the process.

The Parker Avery Solution

The Parker Avery Group partnered with the client to develop a high-level future state business process around merchandise planning and assisted in the selection process for new merchandise planning software.

The software selected would also help attain and support additional longer-term business and IT goals such as assortment and item planning, as well as identifying a core merchandising solution.

Key Parker Avery activities included:

- Development of future state business process for planning
- Documentation of high-level business requirements and scenarios for software selection

- Evaluation of scorecard and prioritized decision criteria
- Development of vendor demonstration scripts
- Organization of on-site demonstrations and reference calls with comparable customers
- Analysis of vendor rankings and documentation of solution recommendation
- Development of business case to support implementation



The Result

Upon completing the evaluation process and choosing a solution, the client immediately engaged with Parker Avery to move forward with the merchandise planning implementation activities.

After implementation, the client expects to see a \$1-\$2M net annual cash benefit from reduction in inventory carrying costs, as well as increased margin on sales.