



# Redesigned Procurement Process and Organization

*Comprehensive procurement process and organization redesign to enable cross-channel collaboration and the ability to proactively respond to capacity issues.*

**The Client** A global, multi-brand retail/wholesale company based in North America, operating multiple channels and varied distribution points.

## The Challenge

The client had recently implemented a new ERP solution which enabled several significant changes to the way they conducted business. Specifically:

- Unified product definition—from independent SKUs by each channel and region to a single, global SKU
- Global inventory—from customer/channel specific inventory to a shared, 'common pool' inventory using allocation rules
- Global procurement—from customer/channel specific purchase orders to purchase orders based on aggregated demand

Despite these improvements, the company struggled with lack of governance on delivery dates and mismatched supply and demand, resulting in difficulty both procuring and fulfilling orders.

## The Parker Avery Solution

After determining the root cause of the issue, Parker Avery worked with the client to develop a comprehensive, new approach to the entire procurement process.

The new process establishes a baseline financial plan for each region and channel, which is then translated into a demand plan (units) and ultimately a line plan with placeholders. These placeholders contain enough attributes to allow each channel to



conceptualize a merchandise assortment for each month of the season. A key difference included in the line plan is the notion of product availability/timing.

Parker Avery facilitated the redesign of business processes and greater collaboration across channels, including working with the client's product development team to provide guidance while ensuring all markets were able to create robust assortments to satisfy customer demand.

**The Result** With product development now establishing the baseline assortment (line plan), the channels can select from a common 'menu' using the guidelines of their demand plan to ensure the assortment is complete. This selection allows the supply planning team to work with sourcing to identify potential capacity issues with enough time to address and still meet delivery dates.