



Store Inventory Management Assessment

Identifying areas of maximum opportunity related to the handling and merchandising of products in physical stores.



The Client A \$14 billion specialty retailer operating 800+ stores under multiple banners, brands, and store formats.

The Challenge

The store operations organization was faced with the implementation of a new inventory management system to specifically support softlines. As part of this project, there was a need to examine current store operating activities.

The goal was to identify improvement opportunities as well as uncover business processes that posed a risk to achieving the transformation's benefits and adoption of the new system.

The Parker Avery Solution

Parker Avery assessed the client's store inventory management systems and processes to recommend areas of maximum value related to the handling and merchandising of product in stores.

The team identified 38 opportunities for improvement in store inventory operations and overall business performance within the following six operational areas:

- Truck processing
- Back of house management
- Sales floor procedure
- Replenishment/restocking
- Price changes and ticketing
- Store transfers

Parker Avery's approach included the following key activities:

- Reviewed organizational structure, roles, and standards
- Led stakeholder interviews
- Participated in system configuration and design workshops

- Conducted store walks for all store formats in multiple states
- Gapped current processes against industry leading practices
- Documented back of house configurations and exceptions
- Defined a business case that supports improvement opportunities in coordination with the deployment plan

Parker Avery recommended ten action items with prioritized tactical plans for both immediate action and as part of the system rollout. High priority action items included developing SOPs for shipment exceptions, carton processing, item ticketing, and inventory counts; establishing replenishment procedures for basics/never outs; implementing a formal store-to-corporate communication channel; and cross-training store associates to improve process execution and merchandise knowledge.

The Result As a result of the project, the client expects to achieve an average increase of \$65 margin dollars per square foot in the softlines business along with the following benefits:

- Sales improvement
- Markdown reduction
- Improved turn and BOH organization
- Increased replenishment efficiencies