THE Parker Avery GROUP

Strategic Core Merchandising System Selection

Thorough evaluation and selection of a core merchandising system to support company expansion, while improving operational consistency, efficiencies, data governance, and inventory management

The Client

A multi-banner and multi-channel retailer with a wide assortment including home goods, health & beauty, and baby products. The company sources from factories across the globe and maintains stores throughout the United States, Canada, and Mexico.

The Challenge

Through growth and expansion, the client realized several challenges:

- Timely decision-making was nearly impossible due to multiple data sources for sales, inventory, and purchasing, as well as inconsistent operational and management reporting across functional areas

- Analysis of future sales and inventory projections was difficult due to poor quality of historical transaction data

- Inadequate data governance caused missing or inaccurate data attribution for items, vendors, stores, and other key data entities

- Extreme manual effort was required to reconcile the high volume of purchase orders with vendor invoices

- Multiple instances of the existing core merchandising solution required data synchronization (e.g., SKU masters), several customization deployments, excessive testing time, and additional support costs

- Inconsistent and manual 'off-system' activities within the client's existing core merchandising system, as well as significant manual entry of data from spreadsheets resulted in a lengthy financial close process

- Decentralized store-level purchasing restricted the ability to create aggregated purchase plans and blanket orders with corresponding monthly distributions

- Movement of inventory between business units was cumbersome

The Parker Avery Solution

Working closely with the client, Parker Avery identified key business functions that needed to be included in the core merchandising system selection. These included: master data (item and vendor), PO management, price management, inventory management, finance, and supply chain visibility.

The project team used a multi-step approach to identify and select a new system.

- Develop business and technical requirements based on discovery interviews involving many areas of the business

- Create and distribute request for proposal (RFP) and demo scripts to invited software providers

- Collect and analyze scoring for software demonstrations while highlighting advantages and key differences for each solution

Parker Avery deliverables for the client's core merchandising system selection project included:

- Request for proposal documentation

- Demo script documentation

- Scoring survey creation, data collection and analysis

- Summary of scoring across all software providers

The Result

The finance and merchandising teams collectively selected the best core merchandising software for the company. The new software is expected to provide the following enhancements and benefits:

- Support optimized and consistent business processes across banners

- Establish a fully-integrated single system of record for key transactions (sales, purchases, inventory) across all banners and channels

- Establish centralized merchandise purchasing

- Support a global pooled inventory capability and ability to easily move inventory from one business unit and/or channel to another

- Reduce time to close financial books

- Establish master data governance procedures to ensure master data is created and maintained properly, consistently, and accurately

- Leverage solution best practices, minimize customization, and allow the client to remain on one upgradeable system instance