

New Merchandise Financial Planning Solution Drives Retail Results

Client Challenge

This big box home décor retailer features broad product categories including furniture, home textiles, garden, housewares, accessories, and rugs, as well as seasonal décor. The client's existing MFP system and processes were extremely antiquated. There were no target-setting capabilities and no formal open-to-buy process within the environment. As the business flourished during the COVID-19 pandemic, the client was looking for a modern merchandise financial planning solution to support the company's volume and growth.

In addition, a substantial amount of work was performed outside the legacy MFP system. These manual efforts consisted of pulling history from Excel to copy and paste into the existing MFP system as well as reconciling receipts by manually compiling order component information. These cumbersome, inefficient activities inadvertently introduced more opportunities for human errors.

Parker Avery Solution

In addition to overall program lead for the new MFP solution, Parker Avery partnered with the client to:

- Develop MFP process, roles, and responsibilities
- Lead detailed design sessions for system configuration
- Develop testing strategy and detailed user acceptance testing (UAT) scripts
- Lead UAT for the MFP system implementation
- Develop end-user training strategy and content; delivered all training

Key MFP solution improvements include:

- Moved to a cloud-based solution for seamless upgrades
- Standardized target setting and alignment with Finance
- Included in-season management within the toolset
- Employed new seeding rules to eliminate manual copying and pasting of data
- Transitioned to a standard hybrid cost method of planning to ensure standardized productivity measures aligned with finance team's results
- Enhanced brand planning and visibility to performance

RESULTS



BETTER GM AND INVENTORY TURNS



IMPROVED KPI VISIBILITY



SUPPORT FOR BUSINESS GROWTH

The client successfully implemented the new merchandise financial planning solution and processes to enable a more modern environment and support future business initiatives.

The MFP solution provided the retailer with a more comprehensive approach for both pre-season and in-season perspectives, eliminating outside work while providing added visibility to regular, promotional, and clearance KPIs. The client expects to realize gross margin and inventory turn benefits from both product and brand viewpoints.