

New Core Merchandising System Selected to Support Retailer's Expansion

Client Challenge

This multi-banner and multi-channel retailer sells a wide assortment including home goods, health & beauty, and baby products. The company sources from factories across the globe and maintains stores throughout North America. Due to growth and expansion, the client was experiencing several challenges:

- Timely decision-making was impossible due to multiple data sources for sales, inventory, and purchasing, as well as inconsistent reporting across functional areas.
- Analysis of future sales and inventory 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 invoices.
- Multiple instances of the core merchandising system required data synchronization (e.g., SKU masters), several customized deployments, excessive testing, and additional support costs.
- Inconsistent and manual 'off-system' activities resulted in a lengthy financial close process.
- Decentralized store-level purchasing restricted the ability to create aggregated purchase orders with corresponding monthly distributions.
- Movement of inventory between business units was cumbersome.

Parker Avery Solution

Working closely with the client, Parker Avery identified key business functions to include in the new core merchandising system. These included master data (item and vendor), PO management, price management, inventory management, finance, and supply chain visibility. The project team used a proven approach and core merchandising expertise to assess and select a new system. The approach included the following steps:

- Developed business and technical requirements based on discovery interviews across functional areas
 - Created and distributed a request for proposal (RFP) and demo scripts to short-listed system providers
 - Collected and analyzed scoring for software demonstrations while highlighting advantages and key differences for each system
- 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 participating in the core merchandising system selection process

RESULTS



FUTURE
BUSINESS
REQUIREMENTS
DEFINED



CORE
MERCHANDISING
SYSTEMS
ASSESSED



NEW CORE
MERCHANDISING
SYSTEM
SELECTED

The client's finance and merchandising teams selected a new core merchandising system to address the company's requirements. The new system 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 between business units and/or channels
- 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