



Retailer's Merchandising Transformation Results in Impressive Improvements

Client Challenge

The client is a \$3 billion nationally recognized, multi-channel (catalog, retail store, internet, and B2B) retailer of softline and hardline products with a loyal customer base. The merchandising organization was faced with declining margins, rising inventory, and flat sales. The process was hindered by misalignment of inventory and planning functions with the merchandising counterparts and the company suffered from slow responses to trends and opportunities. The executive team wanted to improve the organization's structure and processes to drive sales, margin, and 'big ideas.'

Parker Avery Solution

Working closely with key stakeholders, Parker Avery designed a merchant-centric organizational model and consolidated the client's planning and inventory functions. As part of the retailer's merchandising transformation, Parker Avery also designed new role descriptions and developed role-based and cross-functional training to drive more efficient and productive processes.

The rollout included training more than 300 individuals to prepare them for their new jobs so they could work effectively and seamlessly on day one of the new structure.

With Parker Avery's help, the organization was entirely transformed in ten months.

The processes designed and trained included:

- Category strategy
- Assortment planning
- Product development
- Purchasing
- Price management
- Allocation
- Replenishment
- Vendor management

RESULTS



PEOPLE
TRAINED ON NEW
ROLES



MARGIN
IMPROVEMENT
REALIZED



EXCESS
INVENTORY
REDUCED

Results of the retailer's merchandising transformation were recognized within the first 90 days. Following the transformation, the client experienced the following published benefits:

- Comparable revenue increase of 2.4%
- Margin increase of 250bps
- Inventory turn improvement by 50bps
- Reduction in excess inventory by 15%

