

Client Challenge

The client is a small-format value retailer with nearly 20,000 stores across the US, focusing on convenience and price as the basis for competitive advantage. To stay competitive, the company runs a very lean store labor model. During low-volume hours, stores often have only one employee on staff. This operating philosophy necessitates extreme precision and efficiency in the design and execution of store-level processes, and the client struggled with achieving expected performance levels. This challenge was further exacerbated by increased competition in the value retail sector.

The client needed an objective perspective on thoroughly assessing and improving its merchandising and inventory management store processes.

Parker Avery Solution

The Parker Avery Group's store operations experts evaluated the company's store performance and generated recommendations using the following approach.

- Reviewed current store operations process documentation to ensure an understanding of the retailer's 'as-is' process design
- Conducted detailed time studies, produced variance analysis to the current labor model, and provided recommendations to both update the labor model as well as store process efficiency opportunities
- Conducted structured store visits across multiple store layouts, sales volumes, and geographies consisting of process execution observations, associate interviews, and assessments of inventory and overall store conditions
- Synthesized findings into a series of recommended initiatives designed to optimize labor, improve inventory management process execution, and strengthen business results

EXPECTED RESULTS



INVENTORY
ACCURACY
IMPROVED



IN-STORE
INVENTORY LEVELS
REDUCED



CUSTOMER
SERVICE FOCUS
INCREASED

The client plans to design and implement a combination of Parker Avery's process and technology recommendations and internal merchandising, supply chain, and store-focused initiatives. The client expects to:

- Establish process and technology enhancements aimed at improving store inventory accuracy
- Enable a reduction in-store inventory levels while improving the in-stock positions of core merchandise
- Improve the labor model via process improvements in key areas of the store where significant variances were revealed
- Drive a decrease in store planogram reset and promotional activity and allow for increased focus on customer service within the stores