

Client Challenge

The client, a global leader in entertainment experiences, operates a complex retail business generating over \$2 billion in revenue across more than 280 unique selling locations offering themed apparel, accessories, toys, souvenirs, and small décor. As part of its strategic roadmap to optimize current and evolving processes, the company recognized the importance of evaluating its end-to-end inventory planning and management practices to uncover potential gaps against industry best practices.

Parker Avery Solution

The Parker Avery Group worked closely with the client across operations, planning, and supply chain teams to perform a comprehensive retail inventory management assessment. The team conducted store and DC visits and interviews across the company and leveraged the firm’s merchandising analytics toolkit to understand and assess the client’s current state.

The team analyzed assortment, sales, inventory, and allocation data. This deep analysis supported the process evaluation, which covered:

- Existing inventory management data and KPIs
- Current planning and inventory management capabilities and processes
- Operational processes and standards
- Current liquidation and outlet strategy

- Gaps with common and leading practices
- Key outcomes from the retail inventory management assessment included:
- Quantified assortment reduction opportunities using data-driven long-tail analysis
 - Established inventory reduction strategies through item analytics while ensuring sales protection
 - Created an analytical hindsighting dashboard to comprehensively review item/location performance with new KPIs and inventory standards
 - Identified operational opportunities to enhance process consistency and standardization
 - Created a time-phased capabilities roadmap to address process and technology gaps

RESULTS



NEW INVENTORY
STRATEGIES
DEFINED



INVENTORY
INVESTMENT
REDUCED*



SKU
COUNT
DECREASED*

* Expected.

Upon completion of the retail inventory management assessment, the client’s executive team is aligned on well-defined, actionable strategies for short- and long-term inventory reduction to enhance inventory productivity and performance.

The client is utilizing the valuable insights and roadmap considerations to drive future capabilities and further optimize inventory management, resulting in an approximate 14% reduction in inventory and up to 15% reductions in SKUs.