



MERCHANDISE PLANNING

[The Naked Information]

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Beyond the Hype

- It is easy to be seduced by the sizzle offered by currently available products without including the large investments required to change the **way your merchandisers operate**. Many projects have implementation costs far exceeding licences.
- You may decide that you need an incremental approach with quick wins. This is achieved by automating existing processes. Once the quick win has shown the value, further process changes are assimilated more readily.



Defined

How do we define Merchandise Planning?

“The why behind the buy”

Right products, right place, right time, right quantity

Science for creative people



Merchandise Planning

- Maximise sales and achieved margins by reducing stock-outs and mark-downs
- Retail presents a complex multi-dimensional problem. Most business users will identify with analysing data according to Time, Cost Centre and Product or Service
- Retail & Wholesale is an incredibly fast moving environment

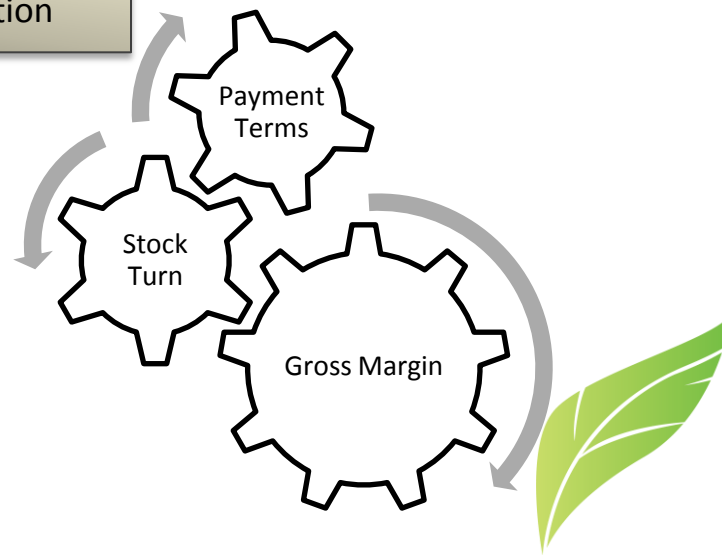


Merchandise Planning

Dependencies
Risk mitigation



Replenishment & Tangible impacts on ROI



“Wal-Mart can sell nappies at less than cost and still make a profit. Stockturn is so high that the interest on suppliers’ money is greater than the discount on cost price.”

Outcomes

From this

- ❖ Transaction level
- ❖ Flying blind
- ❖ Gut feel
- ❖ Un-structured
- ❖ “Cost wind-back” mentality (Accountants view...)



To this

- ✓ Decision Support
- ✓ Having the facts
- ✓ Informed decision making
- ✓ Process / Forum
- ✓ Spend money, to make money mentality (Planners' view...)

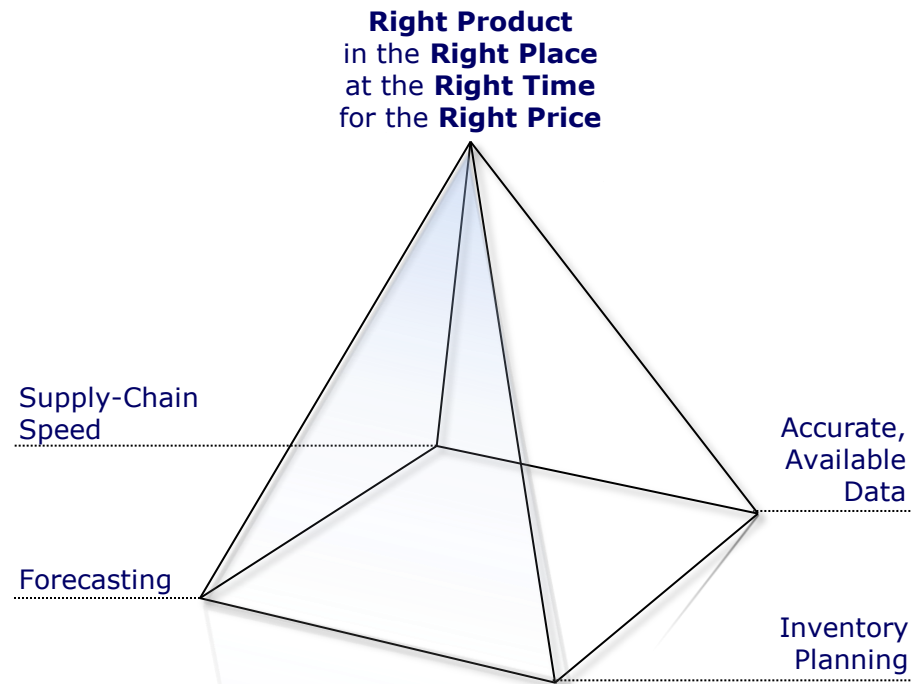
- High value
- Quick to implement
- Used it before
- Knew what we wanted





Achieving consistent
results

Building Blocks



Marshall Fisher, Ananth Raman & Anna McClelland,

"Rocket-Science Retailing is Almost Here –Are You Ready?" *Harvard Business Review*



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Short Cycle Implementations

- Minimal disruption to team productivity and broader business – **Familiar, easy to use**
- Evolve easily - **Flexible, user driven**
- Configurable to multiple hosts – **Flexible**
- Integrated Merchandise Planning + Inventory management (replenishment) – **Multi-cube, multi-dimensional**



Typical Goals

- Active Approach to OTB
- Manage Merchandise KPIs
- Close Inventory 10% down on LY
- Increase Productivity
- Multi Source/Output Systems
- Easily Evolves



Typical Process

Post Seasonal
Review

Range Plan

WSSI By SKU

Weekly Sales & Stock Intake

Purchase Order
to Supplier

Stock Arrives
in Warehouse

In Season Stock Control

Markdowns, Consolidation,
Clearance, Replenishment
etc

Store Orders
Min/Max



Enablers

- Core Functionality
- Flexibility
- Consistent Interface
- Access to base data
- Integration
- Expert Advice



Market Basket Analysis

What is Market Basket Analysis?

Definition and Purpose

- **Definition:** Market-basket analysis (also called Cross/Up-Selling Analysis). A generic term for methodologies studying composition of a basket of products purchased by household during a single shopping trip
- **Purpose:** Improve marketing and sales effectiveness using customer data



Key capabilities of MBA

- Understanding of consumer buying behavior
- Determining strength of product relationships
- Identifying cross-selling opportunities
- Setting reorder points set across several products, rather than just one.

Performance Management Services for Daily Sales, Demand Planning, Merchandise Planning, Retail Allocation, Consolidations Category Management, Retail Budgeting & Forecasting, P&L, Balance Sheet, Cash Flow, KPI Reporting Accounts Receivable & Payable, Inventory and Replenishment.

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