

## PERFORMANCE MANAGEMENT **Joining the Dots**

Merchandise and Inventory Planning is at the core of the retailer's overall Performance Management approach. Inventory typically represents the largest single element of total assets and the sale of goods from this inventory is the chief source of operating profit. The way merchandise investment is made is utmost importance in achieving a profitable operation.

Performance Management is a framework for organising, automating, and analysing the business processes, metrics, and systems that drive business performance. At the core it answers three drivers: *What are we doing? Why? and What next?*

This includes all facets of enterprise reporting and planning. Performance Management is the next generation of Business Intelligence and helps businesses make efficient use of their financial, human, material and other resources and improves the quality of their customer, supplier and staff relationships.

### Freedom to analyse quickly

Retail Planning is a multi-dimensional problem. Spreadsheet Models typically only allow you to analyse across three different perspectives of your data such as Time, Department, and Location.

What would you learn about you business if you could plan, report and analyse against unlimited perspectives and multiple consolidations of your numbers, and also include views of you data by other metrics, such as Categories by Volume/Margin, Country, SKU, Stock Flow, Rebates and Sales?

### Spreadsheets: a double edge

“World-class Enterprise Performance Management organisations deliver 2.4 times the returns of industry-peers companies.”

The Hackett Group

If an organisation does not have a Performance Management system then Excel takes over by default.

But there are many inherent corporate risks with the Excel spreadsheet. “..there are well-documented cases of errors and losses resulting from spreadsheet manipulation errors and accidents.”

Gartner

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# PERFORMANCE MANAGEMENT for Merchandise Planning

Better decision making is not all or nothing. You can take progressive steps to unify people, processes and information so you better answer the three Performance Management drivers – and make better fact- based decisions.

## 1. A better use of capital – driving stock turn

Small stock-turn increases drive big bottom line results: a 12% increase in annual turns translated into purchases being turned into cash 10 days sooner in a 100-day cycle.

Pittiglio Rabin Todd & McGrath

## 2. Active Open to Buy – managing your metrics

Active Open to Buy management is directly linked to improved stock turn. This is one of the surest and cost effective ways to rapidly improve profitability.

Performance Management means you actively manage KPI deliverables and risk to enable team to spend significantly more time analysing data and adding essential business insights from eliminating slow-selling merchandise to buying closer to the selling season.

At the same time, Performance Management should be cost-effective and should be complimentary with existing IT assets.

## 3. Mind Share – engaging people

Performance Management increases team productivity by enabling alliance around one version of the truth and automating drivers, top-down and bottom-up forecasting, reporting, commentary, consolidations, what-if and variance analysis.



Naked Data provide Retail 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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