

Merchandising Scorecard

A WHO'S WHO OF RETAIL MERCHANDISING TECHNOLOGY SOLUTIONS VENDORS

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A modern merchandise assortment is key to retail success and profitability. To ensure the right assortment is placed in the right store, brick-and-mortar and e-commerce retailers must have a merchandise management system in place. Today's merchandise management systems track items end-to-end and provide real-time visibility into sales, stock and orders. Modern systems also offer reporting and data analysis from cluster and site, while managing pricing and promotions.

Retail merchandising is the process of developing, securing, pricing, supporting and communicating merchandise offerings. Successful merchandise management enables retailers to provide the right product to the right place at the right time. The process of planning and preparation involves a multitude of steps before products and fixtures even make their way into the stores.

Retailers continue to seek tools to execute their individual merchandise and promotional strategies, and systems that help plan and control retail sales and inventory levels. Retailers use merchandise management to combat uncoordinated planning, out-of-date information, and poor visibility into cross-functional activity status. The overall goal of the merchandise management system is to ensure that the merchandise meets the targeted customer's needs.

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ALIGNING AUTO PARTS

Managing thousands of auto parts across more than 4,000 stores is not an easy task for auto parts retailer, Autozone. The retailer has more than 400 category refresh projects per year, involving more than 100 steps. To improve task management, the auto parts retailer sought a merchandise management tool to track items from end-to-end, coordinate its customer service and task management, and streamline corporate to store communications.

"It has been an extremely complex process to put the right products in the right store," says Kevin Melton, director of planogram processes, Autozone. "There is micro-merchandising, geography, climate and different vehicle set requirements that are taken into account and other complexities in meeting the needs of individual stores. To understand processes better, we needed a tool to address this."



AutoZone tracks thousands of auto parts across more than 4,000 stores with its merchandise management system.

SCORECARD: MERCHANDISE MANAGEMENT

The chart below is a comparison guide of product specifications and functionalities in a specific category to help retailers begin their search for vendors in the RFP process. The chart is not a comprehensive resource. Please visit vendor Web sites for further information.

VENDOR NAME/WEB SITE	PRODUCT NAME	SPECIAL FEATURES
7th Online www.7thonline.com	7th Online Continuous Merchandise Management (CMM)	Suite includes visual and quantitative assortment planning, in-season merchandise management, vendor collaboration, automatic order transmission, analytics and forecasting.
Alpha Retail Technology www.alpha-retail.com	AlphaERS	System centrally monitors inventory in real-time, providing accurate stock levels at each store, in the warehouse, and in-transit. Inventory control helps retailers minimize stock-outs.
DemandTec www.demandtec.com	DemandTec for Retail	Helps retailers optimize merchandising and marketing decisions to achieve its sales volume, revenue, and profitability objectives. Also helps lifecycle pricing and promotions.
Demandware www.demandware.com	Demandware E-Commerce Platform	Active Merchandising concept provides online retailers with control over the merchandising process through one task-based user interface (UI), including visual merchandising.
Epicor www.epicor.com	Epicor Retail Merchandising	Retailers can analyze, order, price and distribute merchandise. The system helps send the right merchandise to the right store, and tracks the status of merchandise through shipping, receiving and distribution.
Escalate Retail www.escalateretail.com	Escalate Merchandising	Delivers online tools for accurate, timely information. It provides current and historical analytical data for sales, on-hand inventory position, on-order receipts, and distributions.
Island Pacific www.islandpacific.com	Island Pacific Merchandising	Integrated system helps develop demand forecasts and reduces stock-outs and markdowns. Supports planning and open to buy, purchase order management and replenishment.
JDA Software Group www.jda.com	JDA Software Group's Enterprise Planning Suite	Tools help drive visibility into consumer insights, while bridging the gap between planning and execution. System also helps improve turns, reduce carrying costs, and keep inventory fresh.
Jesta I.S. www.jestais.com	Vision Merchandising	System helps streamline the merchandising process. Exception based analysis helps maximize profits, reduce carrying costs, and automate processes in real-time.

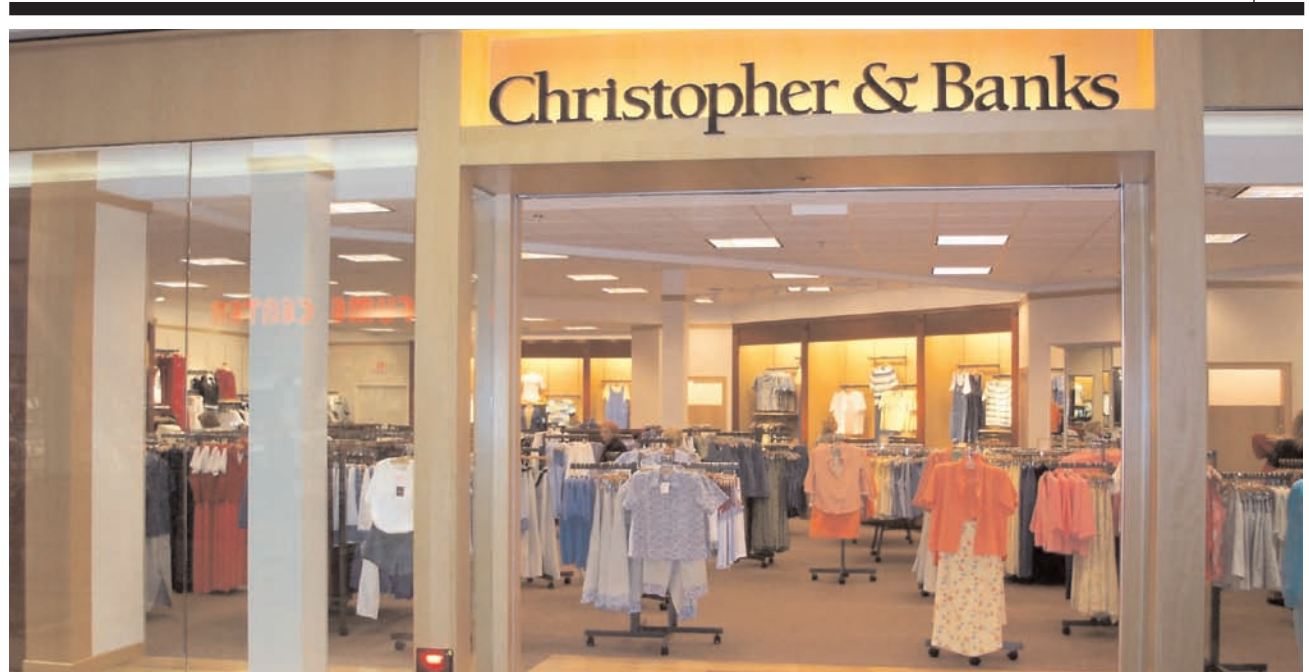
After customizing its merchandise management system, Autozone implemented Merchandising Process Manager (MPM) from Reflexis. Today, Autozone uses its merchandise management to coordinate the many steps involved in complex merchandising projects. The auto parts retailer gains real-time visibility and status updates by department including merchandising, marketing, supply chain, finance, store operations and suppliers.

In addition, the retailer can view exceptions and change schedules to meet organizational needs. The MPM tool helps improve cross-functional communication by providing automated alerts and workflow for streamlined processes and optimized workloads.

“We basically took a clean slate and implemented this product to fill a gap,” says Melton. “We developed a total customization of the product to meet our needs. We also redefined the product to deal with planning at the store and at headquarters. We began a stage of soft openings and began to use the system in beta before going live. There’s still a lot of learning, but the gap is being filled.”

FASHIONABLE MANAGEMENT

Unlike managing thousands of auto parts, apparel requires a merchandise manage-



Christopher & Banks uses merchandise management to improve planning and product placement to improve gross margins.

ment system that tracks items based on size, color and pricing. With more than 825 locations nationwide, Christopher & Banks, which also operates under the store formats C.J. Banks and Acorn, recognized that by leveraging technology, it could refine its merchandising strategy and improve future merchandise gross margins. A merchandise management system also would help the retailer improve stock positioning and

increase inventory turns.

In July 2008, the specialty woman’s apparel chain added Oracle Retail Applications to improve planning and product placement. The women’s apparel retailer also uses the tool to increase gross margins and support its growing business.

With the help of Minnesota-based Oracle consulting firm Motion International, Christopher & Banks deployed Oracle Retail Merchandise Financial Planning, Oracle Retail Item Planning, Oracle Retail Assortment Execution and Oracle Retail Demand Forecasting.

“As a fashion retailer, we needed a flexible platform that could be easily configured to meet the unique requirements of our business,” says Steve Danker, senior vice president of information systems and strategy, Christopher & Banks. “Oracle has the most complete, scalable solution on the market and the speed to value of their retail applications really fit the needs of our business.”

Another apparel retailer that opted for better merchandise management is Tyler, Texas-based Cavender’s Boot City. In early 2008, this western wear and footwear retailer upgraded to the latest release of Jesta’s Vision Merchandising.

Cavender’s uses Vision Merchandising to centralize buying and ensure that its product mix meets anticipated demand. Cavender’s also leverages the use of VMI (Vendor Managed Inventory) to help eliminate stock-outs of top sellers.

“We chose Vision Merchandising for the application’s ease-of-use and ease of integration with our existing merchandising system,” says Joe Cavender, president of Cavender’s Boot City. “Vision Planning offers us intuitive views and a step-by-step approach to planning. We anticipate that it will help us achieve an optimal balance between financial performance and customer satisfaction.”

A key feature which Cavender’s leverages in Vision Merchandising is replenishment. The latest version of Vision Merchandising includes an enhanced user interface and additional security for purchase order creation. Cavender’s uses Vision Merchandising to plan at various levels including department, class, sub-class, style, and across multiple selling channels. **RIS**

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VENDOR NAME/WEB SITE	PRODUCT NAME	SPECIAL FEATURES
Lawson Software www.lawson.com/retail	Lawson Merchandising	Helps retailers manage the variables that go into pricing, promotions, and assortment decisions. Allows category managers to integrate planning, execution and analysis.
Magstar www.magstarinc.com	Total Retail	Specialized reports analyze sales, stock position, store and individual sales performance, and project selling requirements. Also includes "Just-in-Time" replenishment tools.
Micros-Retail www.micros-retail.com	Micros-Retail Enterprise Merchandising	Facilitates and integrates merchandise planning, open to buy, purchasing, replenishment, inventory receiving, store distribution, order management, and delivery to customers.
Oracle www.oracle.com	Oracle Retail Merchandising System	Merchandising functions include inventory tracking throughout the supply chain. Inventory tracking combines ordering, transfer, replenishment and allocation functionality.
Reflexis www.reflexisinc.com	Reflexis Merchandising Process Manager	When integrated with Reflexis Task Manager, the system helps track completion levels in the stores, manage by exception, and respond to problems.
SAP www.sap.com	SAP Merchandise and Assortment Planning	Delivers real-time performance metrics with planning and simulation functionality. The system links to markdown planning, shelf optimization, style management, purchasing, and allocation functionality.
SAS www.sas.com	SAS Integrated Merchandise Planning	Includes statistical forecasting and business intelligence. The suite includes integrated forecasting, access to relevant data and support for various plan sizes.
Tomax www.tomax.com	Retail.net Merchandise Management	A single database for real-time information access, creation, maintenance and reporting of core merchandising. Includes item, vendor, cluster, and purchase order data.
Torex Retail www.torexretailna.com	Torex Compass-SCM	Features include product packing, store layout, and localized sizing. The tool also can help increase product availability down to the size level. and offers targeted merchandise.