

Creating a Business Case for Better Planning

The Solution Your Business
Needs to Stay Ahead

Let's Set the Scene

Today, the consumer's journey is constantly evolving, and being able to provide a seamless shopping experience is paramount. A planning strategy is crucial in supporting and ensuring an omnichannel business is successful, right from a robust merchandise financial plan through to a well-thought out allocation and replenishment strategy.

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For many big businesses in fashion, retail, luxury and consumer packaged goods, basic email and spreadsheets are still the go-to platforms for budgeting, assortment, forecasting and supply chain planning even when attempting to manage hundreds of stores and thousands of products across multiple channels and countries.

Although it's crucial to have a good solid product, if you get the quantities wrong and are left with too much stock in the wrong place, it results in discounting to clear shelves ultimately eating into product margin. Or products late to market mean lost opportunities to sell. The ability of planners, merchandisers, buyers, marketing and sales to function efficiently and accurately depends in large part on the environment of their digital ecosystem. Failing to evolve older outdated systems creates a lack of visibility and the inability to know what products to place where and in what quantities, which costs businesses big!

Looking back at the last several decades of retail, it's easy to find horror stories of brands, particularly large major ones, suffering serious financial losses due to putting product in the wrong location, at the wrong time, or in the wrong quantity. One of those inventory missteps occurred to one of the biggest brands, Nike. Back in 2001, a now infamous event occurred. [Nike invested \\$400 million into a supply chain system](#) with faulty forecasting. The result was a disastrous loss of over \$100 million in just a single quarter as inventories were misaligned with demands, causing the regrettable combination of shortages at some locations and overstocks at others. Then there was Ralph Lauren, who in the 2010's was making headlines for a [sluggish inventory](#) lead time and their stocks took a beating, losing [close to half](#) of its value due to excess inventory.

If you're still relying on spreadsheets or an outdated system that has failed to deliver the ROI promised, it's time to consider a modern planning solution. One that has been built from the ground up to help businesses survive the fast-paced retail industry and navigate the digital landscape.

Read on for our step-by-step roadmap to building a compelling business case for a modern end-to-end planning solution. It provides the foundation upon which you can customize your case to your company's specific needs and allows you to address both the current challenges and a viable solution that delivers a desirable ROI.



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Step 1: Define Your Challenges

Identifying your current challenges is an essential step to presenting an effective case for upgrading to a better planning solution. Company-wide support for this measure is much more realistic if you can paint an accurate picture of what your current challenges are.

This is a chance to think objectively about the day-to-day obstacles you encounter and what currently holds your team back from being more efficient and effective. Inquire with relevant departments to build an accurate and comprehensive list of challenges.

List the departments to survey, which can include:

- Planners
- Merchandisers
- Buyers
- Allocators
- Inventory managers
- Analysts
- Anyone in the planning team, store or warehouse
- C-suite (Those who need to quickly look at top down, bottom-up plans or reports)

To jump start the evaluation process, here is a checklist of some of the most common pain points in planning. Use it to help identify the challenges most frequently experienced by the different teams.



Challenge Checklist

No end-to-end solution to fully manage, plan, make and sell products

Lack of an integrated strategy – merchandise plans do not align properly with the current financial and strategic business goals

Merchandise plans take weeks to complete and are difficult to keep updated

Assortment complexity and a huge number of product SKUs are difficult to manage manually

Spreadsheet chaos causes delays, errors, rework and workplace stress

Teams cannot quickly and accurately identify products to invest in or spot product gaps

Often left with overstock with the need to discount heavily to clear shelves

The inability to accurately forecast or allocate product correctly diminishes product margins

Complicated to ensure seamless omnichannel management

Teams are frustrated, disconnected and stressed

Laborious to create accurate reports and quick overview of plans

Inability to make strategic decisions based on accurate information

Little to no ability to react to external factors; not as agile as you would like

Each challenge costs a business, whether that's time, talented staff or sales. Checking off more than one of the following boxes demonstrates a need to upgrade to a more advanced planning solution. Laying out these challenges prior to offering the benefits of a planning solution can help set the stage for an irrefutable case for modernization of the planning process. Helping decision makers to see where the business is suffering illustrates a clearer need for a solution.

Once you've compiled a comprehensive list of business-wide planning challenges, it's time to plot out the available options for solving these planning problems.

“

We are able now to synchronize bottom up and top-down planning processes and everything is linked together.

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**Martin
Walter**

**HEAD OF
MERCHANDISE
PLANNING**

ABOUT|YOU[®]

Step 2: Research and Identify Alternative Solutions

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Now that you've identified what's slowing your teams down, it's important to evaluate the solutions that exist to address these issues. Taking the time to research and investigate the options for your company, rather than rushing into a conclusion will help add validity to your case and allow the decision-makers reviewing it to feel more confident in your recommendations.

Let's look at some of the options to consider.

A variety of specialist solutions

Many department-specific SaaS solutions exist for brands and retailers, which mainly focus on one area of the retail process. By choosing this option, a retailer will need to research and select a variety of software solutions and platforms specific to each department function, taking into account scalability, integration and implementation for each. This means dealing with a number of sales contract negotiations, multiple vendors and support teams which is always more complicated than an end-to-end solution. Some of these specialized solutions might include merchandise planning, inventory and supply management, integrated business planning, demand and supply planning, inventory optimization, merchandise operations and retail management.

Decision-making platforms

Some commercially available platforms may be helpful for small teams, but they lack the ability to scale and are not useful when you need them to work in tandem with other planning solutions. An investment like this is limiting for the future.

Full end-to-end planning solution

A comprehensive planning solution is one that covers the entire process. Using the same engine and logic, empower planners, merchandisers and stock allocators to reduce discounting and overproduction while optimizing the omnichannel experience. Develop accurate merchandise financial plans to align all teams and departments to the overall business goals. Leverage augmented intelligence to help inform data-driven decisions on budgeting, assortments, product design, allocation, inventory and replenishment.



Go one further with Centric Planning

Imagine a solution that can fully support the end-to-end planning process with the added benefit of visual product portfolio management on top. Centric Software®'s planning solution covers all the needs within the planning process – mastering the ability to work with data, images or both – while providing the capability to sort and optimize product portfolios from both a visual and financial perspective.

Pair Centric Planning with Centric Visual Boards, including:

- **Centric Visual Boards:** Designed to streamline decision making and bring images and product information to life in an intuitive visual format that allows for mobile collaboration across a spectrum of devices. There is a visual board for each facet of the planning process.
- **Visual Merchandising Board:** Develop line plans and placeholders, seamlessly aligning with financial plans. Streamline go-to-market meetings and accelerate timelines with live images and information that allows teams to create, track changes and visualize carryover and new product assortments with stunning 3D technology.
- **Visual Sourcing Board:** Visually streamline the go-to-market process by presenting products in real-time digital showrooms, enabling merchandising, sales teams and clients to collaboratively develop internal retail buys or wholesale commitments. Here, orders can be submitted instantly and exported to ERP, PLM and Centric Planning.
- **Buying Boards:** Collaboratively develop multi-channel showroom assortments, run showroom presentations and capture order commitments with compelling, user-friendly visuals.

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With the Centric Planning solution, buying and merchandising teams can work more collaboratively and are saving time because manual data entry has been eliminated. Being able to create what-if scenarios empowers teams to make strategic decisions faster and achieve sales and margin targets.
”

**Julia
Lehmann**

**SENIOR HEAD OF
MERCHANDISE
MANAGEMENT**

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Step 3: Evaluate the Alternative Options

Now you've presented the alternative solutions, it's crucial to look at the features of the technology. It's not only essential that it helps in the day-to-day operations but that the technology is flexible, adaptable, powerful and easy-to-use. Here are several key questions that need answering:

What is the difference between a configurable and a customizable platform?

Both of these words sound similar, but the truth is, they're worlds apart. Although the goal of each is to get the system to work the way your teams work (as opposed to changing your process to work within the confines of new software) there is a very important difference between the two approaches.

With a customized solution, the technology vendor is responsible for coding their solution for you. Essentially, they will need to build many parts of the solution from the ground-up. This is generally seen as an old-fashioned approach because it severely limits the flexibility of the solution. Upgrades become slow and expensive to roll out, and coding takes significant time to complete. Then there is the testing phase and the tedious time spent on trial-and-error attempts to get things right. By the time the customizations are ready to use, your business will probably have changed, and the customization process may need to start all over again. This scenario sounds like the opposite of a solution that improves efficiencies and streamlines work processes.

Now compare this to a configured solution. Here, the base platform already exists but the interface and functions are configured for your specific requirements. Think of it like a collection of switches that can be turned on or off, depending on how you want the software to work and what kinds of best practices you need to adopt. Agility is fundamental when scaling a business or even adapting to the digital transformation that retail is experiencing. With a configured solution like Centric Planning, which has been developed by planning experts, the system comes with several built-in best practices and templates as a starting point to work from.





Is the solution scalable?

You'll want a modern solution that can grow and expand with your needs. As a retailer, you need a solution that allows your teams to fully align assortment planning and merchandising with sourcing, product co-creation and stock allocation. But what happens when you add a new channel, be it e-comm, franchise or wholesale to your business? You want a solution where you can add further innovations and modules to, expanding to include different teams to use the solution and bring about company-wide efficiency, rather than wonder if it will last three years from now.

How does the technology perform?

- *Is it cloud-native?*
- *Is it convenient and easy to navigate across multiple devices?*
- *Is it powerful enough to handle peak planning and large quantities of number crunching?*
- *Can it easily integrate with other systems?*

These questions make a big difference. It's important to have a solution that has the capabilities and the user-interface to make it robust, intuitive and user-friendly. If you invest in a solution that is hard to use, many people will revert back to spreadsheets. Ensuring high user adoption is crucial when asking staff to change the way they work.

Centric Planning and Centric Visual Boards allows teams to use the platforms whether they're in the office or working remotely, running seamlessly across mobile and desktop devices. Log-in from any device, anywhere in the world and gain access to real time information. Using cloud-native technology, its powerful number crunching abilities ensure the system runs smoothly even during peak planning periods.

Does it have augmented intelligence or machine learning capabilities?

Augmented intelligence and ML are the future, investing in technology without these capabilities, at whatever stage, is a big mistake. The ability to leverage AI and predictive learning automates much of the planning process, freeing up teams and enabling planners, merchandisers and stock allocators to spend more time analyzing results in order to accurately forecast, reduce overproduction and the need for discounting.

Can the planning solution deal in data and visuals?

Many planners and merchandisers are used to working with numbers and spreadsheets. But imagine a solution that allows you to crunch numbers, see reports and graphs and *visually develop collections all in one platform without having to export data to other systems?*

You can with Centric Software. Replace spreadsheets, post-its, paper printouts, foam core boards and email chains with an easily accessible cloud-based solution that collects visual images and product information in one place, allowing visual data to be shared remotely across devices in an intuitively user-friendly dynamic environment.

Created to optimize product portfolios, with functionality that connects and aligns financial and merchandising plans with design, product, sourcing and manufacturing teams to streamline products before they go to market. Make real-time collaboration efficient and easy, and facilitate group decision-making within a digital, visual workspace.

How long will it take to implement?

Teams today are working seasons ahead, building merchandise plans for next year while tracking actual performance and allocating and replenishing stock for current in-season collections. There is no time to stop!

Because Centric Planning and Visual Boards are configurable and use augmented intelligence so there's no downtime wasted in customizing a solution from the ground-up. With its user-friendly interface and high adoption rates there is a minimal learning curve and basic onboarding for teams. The solution is designed to be quickly configured to your specific needs so teams can benefit from easy implementation.



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Step 4: Understand the Return on Investment (ROI)

Calculating a projected Return on Investment (ROI) at this stage may sound like a tricky task but once you understand how each benefit can be quantified as cost savings, operational efficiency, or business growth then you can truly determine the value of a planning solution.

There are a number of benefits, both qualitative and quantitative, that are spread across different categories including operational, financial and strategic.

Although the quantitative benefits are easier to determine, they can range vastly and every business is in a different phase of their journey. However, an example from Gartner, Inc about some of the ROI of a Retail Assortment Optimization Software include:



2% to 5%

average uplift in total sales



5% to 20%

overall reduction in assortment



15% to 20%

increase in product availability

Operational benefits might include:

- Enhanced logistical planning
- Improved efficiency with a reduction in manual data entry, errors, rework and repetitive tasks.
- A more efficient and seamless omnichannel experience.
- Synchronized teams: build a bridge with merchandising, design, product development and product execution teams to optimize selling, product mix and pricing.
- Retained staff with a user-friendly and intuitive solution. Thereby reducing the time and resources required to train and onboard new team members.
- Improved distribution of merchandise to stores with greater visibility.
- Augmented intelligence-assisted inventory allocation across warehouses, distribution centers and stores.

A research paper by [Harvard Business Review](#) showed that "...the average company **loses more than 20% of its productive capacity...to what we call "organizational drag,"** the structures and processes that consume valuable time and prevent people from getting things done."

On a higher level, strategic and financial benefits to consider include:

- Expanding more efficiently with the ability to focus on business growth.
- An alignment of financial and strategic plans to product development plans.
- The right quantity of products available in the right places whether online or in store.
- The ability to analyze customer buying patterns, understand best sellers, predict future trends and know where to invest.
- Utilize customer data to develop targeted and precise assortments for customers.
- Forecasting future sales with greater accuracy, reducing overproduction and over buying and the need for heavy discounting to move stock.
- Effective inventory management increases cash flow.
- Utilizing data insight and the AI capabilities to guide decision-making.
- Advance sustainability efforts with accurate forecasting, allocation and replenishment that reduces waste.
- Enhanced visibility with powerful slice and dice views to quickly hone in on relevant details or zoom out for a bigger picture reporting.

Compiling this list of ROI benefits is the perfect way to conclude a business case for your recommendations for a better planning solution. Whenever possible, add in specifics, like the time and cost savings which can come from making the move to a more effective, modern planning solution.

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Without Centric Planning our jobs would be impossible today. It is an enabler for us to get the product to the right channels on time. This is huge for us. The feedback from all the users is really positive; they like the tool. It's very intuitive.

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**Daniel
Botey**

**VICE PRESIDENT OF
GLOBAL INVENTORY
MANAGEMENT
GUESS EUROPE SAGL**

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Conclusion

Investing in the right solution and the right vendor transforms a brand or retailer's ability to forecast and execute, providing a more streamlined and efficient way to complete tasks. Making the business case can feel like a challenge. But by breaking the presentation down into four simple steps, demonstrating current challenges and the negative effects these have on the bottom-line, supplying a set of solutions and providing detailed reasons for your recommendation create a comprehensive and compelling case.

Combining the power of Centric Planning and the industry-first Visual Boards empowers your teams to maximize business performance with the benefits of a modern, cloud-native SaaS solution that handles both data and visuals. It's user-friendly, robust and powerful enough to handle even the largest inventories and data loads. Increase operating and product margins, reduce overproduction and the need to discount and finally experience real-time remote collaboration to deliver the right products to the right channel at the right time.

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