



daVinci Future-Proof Planning

A How-to Guide to Selecting a
Merchandise Planning Solution
for Today — and Tomorrow

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The Future of Merchandise Planning



The retail industry is changing. The way customers shop today is different than what it was two years ago, let alone five, 10 or 20 years ago. Shoppers have different expectations and demands of the stores and the brands they engage with and buy from. Modern retailers must adapt to these new demands, or they'll soon lag behind those that do.

But the real challenge for retailers isn't simply meeting the demands of today's savvy shoppers. The real challenge is in meeting those needs today, while maintaining flexibility and agility in order to continue to meet evolving customer expectations tomorrow — whatever those expectations might be.



Inside, you'll learn:

- *Four key factors to look for when investing in new planning software*
- *How to conquer the fears inherent in making organizational changes*
- *Questions to ask your provider to ensure you're making the right investment*





The Time For Change is Now.

The retail industry is one that has often been slow, if not outright resistant, to change. Because purchasing and deploying new systems is expensive and difficult, retail has taken the “safe” approach and stuck to using what it knows, even though “what it knows” has become dated.

But as traditional retailers are discovering, the brands that embrace and leverage new technologies are leaving others in the dust. Consumer behaviour is drastically different than what it was just a few years ago, with mobile technology at the forefront of change, and the time for retailers to adapt and introduce new processes to meet demand is right now.

Consider a typical retail experience today for a digital-savvy shopper. The shopper has an idea of what they’re looking for before their shopping journey even begins, and that journey now begins well before the shopper enters a store, a mall or even their home. They’re “pre-shopping” online, either at their computer or mobile device, doing research, comparison shopping, finding the right product for their at the right price for their budget. And when they’re ready to buy, they expect the instant gratification of clicking a button and knowing it’s on its way to their front door.

In order to keep up with this demand, retailers need to take a customer-centric viewpoint and invest in modern technology solutions (including AI) that leverage customer data to deliver a personalized, seamless shopping experience across all available channels, with the ability to deliver merchandise — either to a store for pickup or directly into a customer's hands — immediately.

Sounds challenging, doesn't it? Don't let fear of change hold you back. Here are four things you need to help you make your mark with customers today, and compete with the industry leaders tomorrow.

- 1. Software that grows with your business**
- 2. Software that supports people**
- 3. Software that gives you a competitive advantage — and delivers ROI**
- 4. Software that is web- or cloud-based**

Read on to learn what these four focus areas mean for your business, and how to conquer the fears that come with each.



1. Software That Grows With Your Business

As discussed earlier, the retail industry is shifting — rapidly — at a fundamental level. In order to survive and thrive, you need to be able to adapt the changing environment around you. The software you use will be a big part of your success or failure.



The good news is, when you invest in the right software, you don't have to keep changing solutions to keep up with the times. The right solution will adapt right alongside the industry and your business.

Furthermore, the right solution will transform the way you operate, beyond just the software you use. The right MFP solution help you establish and maintain standardized processes across your organization.



Conquer Your Fears

Since we can't predict the future, it can be difficult to have full confidence that what you invest in today will meet your needs tomorrow — and that you'll have wasted your money. And naturally, every solution provider is going to declare their software to future-proof. That's why doing your due diligence is critical.



✓ **31%** of retailers say they use a home-grown solution for MFP

✓ **19%** of retailers say they use spreadsheets

BRP 2018 Merchandise Planning Survey



Questions to Ask

Talk to your vendor about scalability. Flexibility is critical for long-term success; you want your solution of choice to grow with you, without having to go to your vendor and pay for costly upgrades and additional modules. Also, ensure your vendor of choice has been in-market long enough to have shown ongoing adaptability to changing conditions. Finally, be sure to validate that their solutions have an extensive library of APIs and integrations.

One way to help validate your provider of choice is to visualize a series of what-if scenarios for future industry advancements, and ask each potential provider how they see their solution responding to these future needs. A comparison of their responses can go a long way to determining who you can trust to grow and evolve alongside you.

2. Software That Supports People

If you spend any time on LinkedIn, you're no doubt regularly bombarded by quotes from Steve Jobs or Richard Branson about how important people are when it comes to managing a successful business. There's a reason these clichés never go away: Because they're true. Your people are the heart of your organization, and your success or failure depends greatly on them.



Which is why it only makes sense to give them technology solutions that help them succeed at their jobs.

When it comes to your merchandise planners, “helping them succeed” means ensuring they can:

- Learn to use and make the most of their new tool without needing a PhD in computer science or a tech wizard looking over their shoulder
- Collaborate effectively and work from the same data —updated in realtime — whether they're in the same office or not
- Spend more time on important tasks, rather than “time-filling” tasks like manual data entry
- Reduce the potential for errors, either through manual data entry or using outdated information
- Effectively plan across multiple channels with more speed and more accuracy

In decades past, old legacy tools did the trick, but with retail rapidly becoming an omnichannel business, and with the large amounts of data available, spreadsheets are no longer effective for merchandise planning. Your planners need more powerful tools that allow them to collaborate in realtime, and that give them full visibility into each channel's probability of selling which product category, to whom, at what time of year, so that they can quickly and easily plan future buys accordingly.



Conquer Your Fears

Businesses are often afraid of the reaction of their people when they decide to upgrade or migrate to new technology solutions; people are resistant to change, and there are natural fears about being jobs replaced by automated software.

That's why it's important to keep your people involved in the decision making process from the very beginning. Keep the lines of communication with your team open, tell them why you need to change, and how a new solution will benefit them. Not the company or the bottom line — how it will make their jobs easier. Ensure that they know there's no replacement for intelligent planners, and that whatever solution you choose, it's going to be one that helps them do their jobs, not one that does their job for them.

Questions to Ask

Look for a solution provider that has experienced retail industry expertise in-house, and has actually been through a real-world implementation. A common frustration for purchasers of enterprise software from tech start-ups is that the tech start-ups don't have a true understanding of their industry or the business challenges they face. When buying a merchandise financial planning system, choose a provider who will partner with you through the implementation and beyond.

You want a solution provider that knows its audience — you — and has built its software with you in mind, with a user interface and workflows that line up with your expectations and your job requirements. In addition, your provider should have a deep understanding of how retail organizations operate, of what the different roles are, and what those roles need to succeed.

Ask for referrals from the provider's current clients, and take the time to vet those references thoroughly. Confirm that the UI is as intuitive and user-friendly as the vendor demos suggest!





3. Software That Delivers a Competitive Edge and ROI

Ensuring your people have the best tools is one side of the coin; the other is ensuring those tools bring value to your organization beyond just helping people get their jobs done. When used right, enterprise technology solutions, especially in the retail industry, should give you a distinct advantage over your competition.

Thanks to online shopping, modern POS systems, social media, loyalty programs and more, the retail industry has access to more customer data than ever before. But that data doesn't do you any good if it's locked in away in legacy systems.

In addition to housing your data and sharing it amongst your planning team, your software needs to be able to mine and interpret your data, helping you understand your customers and their buying habits better than ever, as

well as observe and respond to overall trends in the marketplace.

Thus, your software should allow you to provide an enhanced shopping experience to your customers, using personalized promotions and events while at the same time, empowering your planners to more accurately predict demand and better plan upcoming sales and inventory to match that demand — and maximize profits.

Conquer Your Fears

Many companies struggle with data mining and leveraging the data they have — even with best-in-class enterprise solutions. It's natural to be wary of solutions, and to worry that you won't be able to maximize your investment (at least not without hiring more data analysts and specialists, reducing your profitability). But the right solution provider won't abandon you once the purchase is complete; they'll partner with you to help ensure you're using their solution to its fullest.



70% of merchandise planning solutions are **currently more than four years old** and 35% are more than seven years old... many retailers (64%) are **planning to replace their merchandise planning solutions** in the near-term.

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Questions to Ask

In addition to after-sale support, ensure your solution of choice offers machine learning capabilities; you want a solution that is constantly analyzing and learning about your business, so it can notify you of current trends (without you having to manually look at the data) and offer actionable insights to help you accurately respond.

You'll also want software that gives users the ability to easily create and share reports, and that gives management visibility into your planning and buying data in real-time.





**IT'S 2019. YOUR
TEAMS AREN'T
TIED TO THEIR
DESKS.**

You don't need to worry about costly hardware implementation and upgrade costs, collaboration and coordination is improved, and data loss is minimized.



4. Software That is Web- or Cloud-based

Everything is in the cloud today, and enterprise software is no exception. A web- or cloud-based solution allows your team to work from anywhere, and a centralized online database keeps everyone working from the same data at all times.

Your teams aren't tied to their desks, you don't need to worry about costly hardware implementation and upgrade costs, collaboration and coordination is improved, and data loss is minimized.

A web-based interface and centralized database also allows you to implement standard, repeatable processes for everyone

on your team to follow. No more "everyone has their own (undocumented) way of manipulating data"; with a web-based system and a guided workflow, everyone follows the same process and you always have access to one, correct, version of the truth. You also don't need to worry about hiring an in-house database administrator.



Conquer Your Fears

The biggest fear when it comes to investing in cloud-based enterprise systems is security. As noted above, today's businesses capture and maintain more customer data than ever before, and if that data should be compromised, the consequences can be severe, in terms of lost customer trust and loyalty, lost profits, and even criminal charges.

To overcome this fear, you'll need to do your due diligence and ensure your provider has taken the necessary steps to secure its solutions. But you'll also have to take steps on your own end to implement policies and training that reduces the risk of any data breaches or errors internally.



✓ **46%** of retailers say customer-centricity is their top strategic initiative

✓ **54%** say integrating customer data and planning is their top planning priority

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Questions to Ask

Security, security, security. The benefits of web-based solutions are clear, so the most important thing to consider is mitigating any security risks. Engage your IT team and do your due diligence with any provider. Ensure they've implemented multiple layers of security to limit exposure to unwanted or uninvited access, have completed and documented regular security audits, and a demonstrated ability to adapt and respond to emerging threats.

You'll also want to ensure you've got well-documented security and privacy policies for your staff, especially those staff accessing applications on mobile devices that can be lost or compromised; be sure to conduct security audits to ensure your own compliance as well.

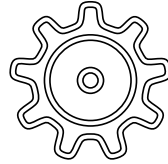
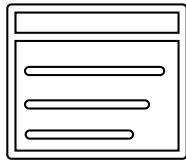
Don't let Fear of Change Hold you Back

The fears and challenges of migrating to a new merchandise planning and buy management solution can seem overwhelming. But today's leading retailers are already embracing innovation and change, and its driving them to greater success than ever. If you don't follow suit, you'll find your business left behind.



Working with the right provider is critical to mitigating those fears and challenges. At daVinci, we offer a modern, future-proof Buy Management System that fully incorporates Merchandise Financial Planning alongside Assortment Planning, ensuring stronger collaboration between your key people, organization-wide. And, our solution is backed by years of retail industry experience from our leadership on down.

It's a solution developed by merchants, for merchants, with a user-friendly, intuitive GUI that is designed specifically to feel comfortable and familiar to long-time users, while at the same time feeling fresh and modern. And its built with the necessary tools and APIs to meet the needs the demands of today while remaining flexible and agile to overcome the challenges of tomorrow.



Merchandise Financial Planning with daVinci

Channel Planning

Create a single enterprise-wide plan for each retail channel including ecommerce and wholesale

Top-Down & Bottom-Up Planning

Use a top-down or bottom-up approach at any level of your merchandise hierarchy

Margins by Channel

Plan margin goals by stores, ecommerce, wholesale, and any other channel that's important to your business

Invest in a Partnership Approach

In addition to automating manual tasks like reporting, roll-ups, and purchase orders and keeping your data in a centralized, always-current database, our robust integration platform ensures our Buy Management System can communicate and share data with your other systems today — and tomorrow. And when it comes to planning, the power to create a single enterprise-wide plan for each retail channel is in your hands, backed by a powerful forecasting algorithm leverages your data, predicts trends and empowers you to respond effectively.

Perhaps most important of all, our partnership-style approach ensures you aren't on your own once you've implemented our system — we're with you every step of the way, ensuring both your people and your business are getting the most out of your investment. We seek to partner with you, to understand your organization and how it works, so that we can help you plan, build, and deploy measurable, repeatable processes; to align your people with your processes; and to adjust and improve those processes as you grow and scale.

To learn more about our Merchandise Financial Planning with daVinci, and our partnership approach, [contact us today](#).



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