



# MERCHANDISING & PLANNING TECHNOLOGIES

By Fernando J. Delgado

**M**erchandising and planning are essential drivers of a sporting good retailer's business, ensuring the right products, quantities and prices are present on the retail floor. Quality merchandising and planning can be the difference between a successful business and a failing one, and software and systems have advanced to help retailers maximize product assortment.

"There are a number of providers of merchandise planning, assortment planning, and item-level planning software," said The Retail Technology Group's Robert Amster. "Merchandising and planning is continuously gaining in interest." Retailers can engage in several levels of merchandise

planning: merchandise planning, assortment planning, store clustering, and key item planning.

“As you go down the list, starting with merchandise planning, they increase in sophistication. Key item planning is the most sophisticated because it’s the hardest to do,” he said. “It’s a lot easier to plan at the department level than it is to go down to the classification level, than it is to plan assortment within stores, especially when the stores vary in size and geography. When you go down from assortment, that’s when you talk about store clustering, when a company starts defining the kinds of stores that they have. There’s only a certain amount of key items that every retailer has. Because those items are so important and so predominant, they are planned individually – as opposed to being planned within the merchandise category to which they belong, or to the department to which they belong.”

Merchandising is a strategy that some smaller retailers may often overlook, according to Dionco’s James Dion. “What a lot of small retailers don’t understand is that their POS systems and merchandising systems in their store are live systems – they have real data. It’s a financing and an accounting system. Merchandise planning is very, very different,” he said. “You can’t do merchandise planning in a live system, because merchandise planning is a ‘What if?’ situation. ‘What if I buy this?’ ‘What if I take this amount of markdowns?’ That has to be done in a separate program, and that’s probably the Achilles heel of most small-to-midsize retailers. They don’t understand the importance of merchandise planning, because it’s bolt-on software and it’s a separate piece of technology. It doesn’t come with your POS. All the big guys have it – like Dick’s Sporting Goods and MC Sports – but the smaller retailers don’t have it. In some cases they don’t even know that they need it, and in other cases they’re simply not willing to spend a couple thousand dollars to acquire it.”

Examples of merchandising systems in use at retail include The Retail Owners Institute’s Open-to-Buy Calculator and the Retail Pro V9 Planning support tool, which includes merchandise planning, assortment planning and store planning capabilities. Easy Retail, meanwhile, provides retailers with software solutions, including solutions for merchandise planning and open-to-buy. “There are certain retailers that live and die by the planning process,” said RPE’s Rob Henneke. “And depending on their size and complexity, there are various applications that support that.” Other leading solutions that employ the newest software technology for merchandising and planning include JDA’s Merchandise Planning System and Enterprise Planning solution, and JustEnough’s Merchandise & Assortment Planning solution available on OnCloud and OnSite.



## ONLINE TRAINING TECHNOLOGIES

“The best online training can be done when a retailer gets a production company to film the training itself,” said The Retail Technology Group’s Amster. “Then you can open up an intranet portal to which only your employees have access.” After opening a portal, trainees then participate in a curriculum, consisting of a series of training courses in a particular sequence, with the trainee only able to move onto the next course or lesson without having completed the required prerequisite. “The beauty of that is that the training is controlled centrally in one place,” continued Amster. “So if you find that there is something wrong in the current training, or something that needs to be modified or added to the training, you can change it in one place and re-issue it.”

Effective online training programs are known for cutting costs, saving time and improving efficiency. “When you had procedure manuals in a three-ring binder, with trainees studying in a back room and flipping pages, changes required companies to re-print the pages and then get the new pages to the stores,” stated Amster. “And then you had to rely on someone to actually put the new pages in the binder. Now, it’s done in one place, it’s updated, and bingo – everyone has it tomorrow. It’s more accurate, cost-efficient and much more effective.”

Perhaps the foremost leader in online training programs is Salt Lake City, UT-based 3point5.com. The company is dedicated to improving product knowledge among retail sales professionals via patented online training services. Serving manufacturers and retailers in the outdoor, team sports, and footwear categories, among many others, 3point5.com offers full development and creative solutions available in Flash, HTML and video formats. Tools include the capability for a retailer to develop its own training, surveys and bulletins for stores, or full design-development services to help develop specific training. Other tools include dashboards and detailed reports. ■