The Critical Role of Retail Merchandise Management Software

For products to "hit the shelves" there is a strategic merchandising process that must take place. Merchandise management addresses all initiatives from purchasing products and managing inventory to distribution and vendor management.

It takes a team of experienced individuals to create a budget, source and purchase products and bring life to virtual and brick and mortar shelves. Merchandising teams are often comprised of a chief merchandising officer (CMO), general merchandising managers (GMM), retail buyers, category managers and buying support staff sharing a common goal to deliver the right products, at the right prices, at the right time.

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Tools That Empower the Merchandise Management Process

These purchasing professionals within a retail organization determine and purchase products for their retail organization. As they aim to stay up-to-date and ahead of the seasons, buyers must procure products months (sometimes a year) ahead of time to ensure on-time delivery. They must constantly forecast the latest trends and manage multiple seasonal goods adding complexity as well as urgency to their responsibilities. They must be well-equipped with sales data and understand historical sell-through, competitive pricing and numerous other factors that can impact their buying decisions to plan, select and purchase products. Merchandise management software solutions play an important role in the entire process.

Merchandise management has gone through a substantial evolution in the digital age. It is imperative for buyers to think about assortments online and in-store and how this comes together for the customer to easily navigate the assortment.

With such a massive set of responsibilities, software solutions exist that help them with their day-to-day business functions and responsibilities. These tools empower the retail buying and merchandise teams to communicate more effectively, manage data more responsibly and bring products to market more efficiently.

Merchandise Management

Merchandise management is the heart of a retailer's enterprise software addressing purchasing, basic allocations, receiving, transfers, physical inventory, price and cost management, replenishment and sales processing. This scalable integrated solution adapts to changes across sales channels, provides visibility into inventory and gives associates the tools to respond to changing market trends. It leverages advanced pricing methods, integrated financial and warehousing capabilities and customer order management functionality to help companies achieve peak performance. Most merchandise management systems have the option of operating on the cloud, allowing companies to efficiently access data anytime, from anywhere.
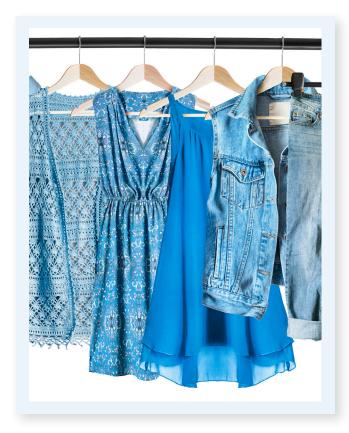
Business Intelligence

Reporting and analytics tools increase productivity and reduce costs helping merchandise management teams make fact-based decisions. These data-driven decisions are based on real-time data gathered from multiple systems across the entire business network. From historical, current and predictive views of business operations, retailers can make sound decisions based on Business Intelligence to streamline operations and increase sales. The solution can pinpoint the position and status of all inventory, orders and shipments from a single dashboard and understand performance levels across all operations including forecasting, inventory, fulfillment and transportation.

Planning

Retail planning solutions can help set goals for sales performance, inventory and other financial metrics, then track results and note any variances to these goals. By tying enterprise-wide strategic plans to the execution of shared goals, the retailer will become more efficient, increase revenue and minimize financial risks. Without a clearly defined strategic direction across the supply chain, businesses may be missing opportunities, operating inefficiently and even working at cross purposes, with misaligned objective. Planning helps produce the most accurate, insightful and coordinated plans possible.

Allocation

Targeting the right mix of products to each store to meet consumer demands can be challenging. Allocation software is the ideal solution for fashion or seasonal items and helps analyze how specific items have performed at certain stores, as well as their potential for future performance. Then using that information to assign individual item quantities to specific store locations. Having the right mix of products available at the right time will help stores earn customers' repeat business and strengthen brand loyalty. Retail Allocation enhances and translates customer knowledge into pinpointed allocations, enabling retailers to optimize store-specific product assortments across the entire retail organization.

Forecasting & Replenishment

These solutions are best for managing core basic items. Replenishment can help stores automatically acquire products on a recurring basis to satisfy anticipated needs. Forecasting predicts inventory needs reacting to demand patterns across the supply chain. Retailers can deliver outstanding service while also minimizing their inventory investment with the solutions suggesting order quantities for every item and location. Orders can be adjusted based on deals, promotions and new store openings and overstocks can be transferred between stores without bringing additional inventory into the demand chain.

Vendor Management & Compliance

Retailers can improve merchandising supply chain performance with vendor management to identify, capture and respond to supplier compliance issues. The solution can track merchandising issues such as shipping too early or too late, shipping after cancel date, substituting items without authorization, incorrect packaging, improper pallet configuration and wrong PO numbers. Identifying and tracking this information helps to resolving supply chain inefficiencies to improve merchandise delivery performance by resolving issues that cause lost sales and excess labor.

Implementing an effective suite of modern retail merchandise management solutions is a critical step toward achieving maximum profitability in today's omnichannel marketplace. RPE consultants work with all levels of retail management to assess a company's current systems, software and processes. We take the time to understand the direction a company is going and provide a roadmap specifically tailored to address current and future needs.