futura
RetailSolutions

A Futura Retail Solutions Whitepaper

How smart is your merchandising?

Top tips for fashion, lifestyle and speciality retailers

Retail can be a fine balance between limiting how much capital is tied up in stock and ensuring customers aren't disappointed, either because items aren't immediately available, or not in the size and colour they want.

As a lifestyle or fashion brand you'll know how challenging this can be, especially with rapidly changing trends, seasonal variations and even geographic differences to think about and manage.

So, the ability to plan your inventory accurately, to achieve the right balance between different product categories, sizes and colours, while maximising sell through and minimising losses from discounting or stock-outs, is crucial to the overall profitability of your business. And it has a direct bearing on customer satisfaction too.

Delivering this requires strong merchandising and inventory control and this should be core to the EPoS and retail management systems you choose to operate your business.

Both art and science, Merchandising is about the choice of products that define your brand and a range of tasks to ensure accurate buying decisions and sufficient inventory to meet demand. Are you getting this right every time?

futura4retail.co.uk

Functionality – what are you missing?

Merchandising and Inventory Management software is designed to take the guesswork out of crucial stock and buying decisions, ultimately delivering greater financial control for your business.

While instinct and local customer knowledge are still important, good merchandising software means you can make more accurate forecasting and buying decisions based on real store and customer data, rather than estimating what is likely to sell and the quantities you need for individual stores and online sales.

Features should cover a range of functional areas to help you achieve the best merchandising plan for your business and strike a good balance between product categories and assortments, supporting interactive multi-dimensional product hierarchies and different store profiles.

Good merchandising and inventory management software should help you plan, monitor and respond rapidly to market conditions in your sector. Futura will help you select the right mix of products to match the profile of your customer and individual stores, and importantly ensure sufficient stock is available to match demand.

The solution should also help you set the financial boundaries for buying and merchandise decisions with features like Open-to-Buy budgeting, ensuring greater accuracy and fewer mistakes.

The software works by analysing store performance and customer data to build inventory plans in line with financial goals and external factors like geographic or seasonal variations and emerging trends.

Flexibility to lock plans, or adjust plans based on live sales performance to take advantage of sudden changes is also essential in today's fast moving market.

Must have features

- **Inventory forecasting & buying**
- **Open-to-Buy budgeting**
- **Multi-dimensional product hierarchies**
- **Accurate allocations**
- **Customised reporting with top down, bottom up analysis**
- **Management of seasonal and core product**
- **Full category management**
- **Recommended Reordering**
- **Reporting & analysis with weekly stock and sales reports**

Automation – can it improve what you do?

Automated processes and system intelligence, an increasing feature of modern real-time EPoS solutions, are also beneficial – improving performance and increasing accuracy to make the merchandiser's life easier.

Today, features like system Recommended Reordering to replace manual Purchase Orders are especially useful and will reduce your workload to free up time. Automated stock replenishment, with the ability to dynamically set minimum and optimum stock levels, can add further time saving and accuracy, in turn helping to reduce over-ordering on unpopular items, or fringe sizes, and costly markdowns.
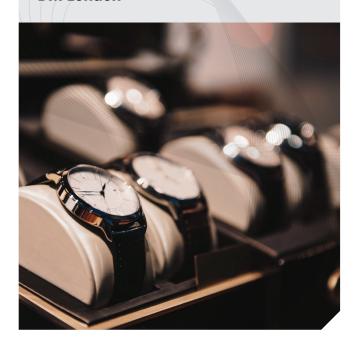
Automated features help to increase speed and accuracy and will remove much of the tedious low-level detail, to free up time for other business critical tasks. Less guesswork and greater certainty for your business.

futura4retail.co.uk

> **"We chose Futura because it was the only complete package that ticked all the boxes, including affordability, reliability, ease of learning and its ability to reduce inventory without losing sales."**
>
> **Andrew Pratt, IT Manager for UK independent specialist watch retailer DM London**

Achieving a balanced inventory will save on storage costs too, ensuring stock is moving through the business from supplier to warehouse, to store, to customer without sitting anywhere too long, in turn limiting capital exposure.

Improve your reaction times

System generated inter-branch transfers, between stores and web, to move excess stock to where it's selling best, should help busy allocation and merchandising teams. Here system intelligence will help you spot opportunities so that you can follow trends and optimise sales before you need to reorder.

These were especially important factors for lifestyle and fashion chain JOY when they switched to Futura's omni-channel EPoS and Retail Management system in 2017.

> **"New inventory management, merchandise planning and automated stock controls have delivered immediate benefits.**
>
> **With full stock visibility across the business, it's accurate, easy to manage and simple to update. Recommended reordering in place of manual purchase orders is particularly powerful, reducing our workload by 60% or more, freeing up time for more effective stock management decisions to optimise sales."**
>
> **Darina O'Connor, Merchandiser at JOY**

Accurate forecasting

Merchandisers also need accurate forecasting with sound analysis so strong reporting should come as standard with the best retail management systems. Look for automated stock and sales reports with at-a-glance performance information covering branch, department and category data, including comparative information for previous periods. This again will help to drive improved decision making.

For example, Futura's business intelligence tool Futura4Analyser, powered by Qlik technology, provides customised trade pack reports and management dashboards covering branch, department and category data – everything a busy merchandiser needs to make sound and accurate decisions, fast.

Centralise your control

A modern retail system should also give you central merchandising control with visibility across all your channels and store locations, from a single system. The benefit is to cut out duplication and provide greater visibility and accuracy for all your business processes.

futura4retail.co.uk

That means improved product management, better ordering and more accurate inventory control. Importantly you aren't having to dip in and out of different systems or import data into your analysis.

Trust in your budgeting

Open-to-Buy tools are also extremely useful, enabling you to set the financial boundaries for merchandise and planning decisions which are accurate and dependable. With a full range of budgetary functions, they allow you to track how much inventory you need and what is available to spend, ensuring that the right level of stock is available whether in store or online. Some tools also offer remote access which is particularly useful for buyers when visiting suppliers or product exhibitions.

By analysing sales performance and other factors, 'Open-to-Buy' provides the framework for you to manage your inventory, plan purchases and budget effectively. It means you can track how much you have available to spend on new inventory and make buying decisions without getting into trouble!

Look for solutions that are fully integrated with your chosen retail system, rather than an add-on function which could prove difficult or tedious to operate, especially if you have to load in sales and product data from other areas of your business.

The most useful Open-to-Buy tools are fully embedded and fully interactive with multi-dimensional product hierarchies. These allow you to manage both seasonal and core products and include 'What-if' functionality to gauge the effect of buying one range over another, or removing a range altogether.

"Futura's 'Open-to-Buy' facility is very user friendly, assists with budget management and is a good tool for making snap decisions for current buying periods."

Barbara Hegarty, Systems Manager at independent department store group Ulster Stores

Futura has been focused on delivering specialist technology solutions to fashion and lifestyle retail brands large and small, for over 30 years. Wherever you are on your journey if you need advice or direction we are here to help.

Call us on 0118 984 1925 or email sales@futurauk.com

Futura Retail Solutions Ltd

The Old Forge The Street Tidmarsh Reading Berkshire RG8 8ER UK
Phone: 0118 984 1925
email: sales@futurauk.com

futura4retail.co.uk