

Blurring the Channel Silos

The Midmarket Goes Cross-Channel for Better Inventory Management

► By Peter Leith and Lindsay Carpen

Adapt or die. This mantra has never been more true than in today's dynamic retail industry where multi-channel retailers dance on the edge of thinning margins and fickle customer preference, all while staving off growing competition. The move by consumers to multi-channel engagement — accelerated by the advent of mobile technology — has made the retail environment more competitive and complex. By adopting and implementing a cross-channel strategy, retailers can leverage these same channels to create unprecedented opportunity to improve the customer experience, increase margin and reduce stock-outs.

Larger retailers that have tried implementing a cross-channel strategy have been challenged by their existing organizational silos designed to operate in a single channel. As a result, they must invest heavily in what amounts to workarounds to deliver cross-channel services. Poorly conceived and often fraught with problems, these attempts at cross-channel often drive more customers away as expectations are built up and then remain consistently unmet.

Midmarket retailers embarking on a cross-channel retail strategy are often saddled by similar constraints, but are typically more nimble and able to adapt. With the aid of technology and the right mix of organizational structure and operational savvy, midmarket retailers can position themselves strongly against their larger competitors. This enables them to differentiate themselves through the delivery of true cross-channel capabilities and more efficiently manage inventory and demand across the store, Web, catalog, call center and mobile retail environment.

Technology that is readily available to the midmarket can reduce or eliminate complexity related to implementing a cross-channel strategy. This will allow retailers to operate more efficiently in areas such as



financial planning, assortment planning, demand forecasting and inventory planning while also achieving “channel awareness” of in-store point-of-sale, call center, e-commerce and mobile commerce systems. The result is a 360-degree view of customers, order and supply chain information that provides customers with multiple options for information search, order points and delivery options.

True cross-channel retailers view their inventory across all sales channels in aggregate, while also understanding the nuances within each channel. The benefit is that the retailer has the flexibility to pool inventory across all channels to effectively ensure high availability while reducing excess. Retailers can also more accurately handle merchandise planning based on channel nuances to deliver an assortment plan that maximizes full-priced inventory revenue.

Successful retailers are able to adapt to, and embrace, a cross-channel retail strategy while also making the appropriate technology investments to support this differentiating capability. Those that are able to excel as cross-channel retailers will find they are able to thrive in today's dynamic, evolving retail marketplace and meet competitive pressures head on.

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About the Authors



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Founded in 1994, JustEnough is a global leader in Demand Management solutions. JustEnough services more than 500 of the world's leading brands including Allocation and Replenishment of inventory at **Kenneth Cole**, Merchandise and Assortment Planning at **Levi Strauss**, Sales Forecasting at **Kraft Foods**, Inventory Planning for **IDS Group (Li & Fung)** and **Nissan**, and Mobile Sales Force Automation at **SAB Miller**, **Cadbury** and **Heineken**.

OnCloud, **OnSite** and **OnMobile**, JustEnough's Demand Management solutions help retailers, distributors and brand owners to forecast their customer demand, plan their assortments, allocations and inventory, shape their demand and then execute on those plans. JustEnough is headquartered in the United States with offices worldwide. Learn more at www.justenough.com.