



Retail Best Practices

- **Methodology**
- **Organization**
- **Tools**

Ispira Ltd

90 Long Acre, WC2E 9RZ, London, UK
t: +44 (0) 207 903 5385 follow on twitter
e: info@ispira.com www.ispira.com

Ispira Ltd

piazza del Popolo, 18 00187 Roma, Italia
blog.ispira.com t: +39 06 3671 2395
e: info@ispira.com www.ispira.com

about us

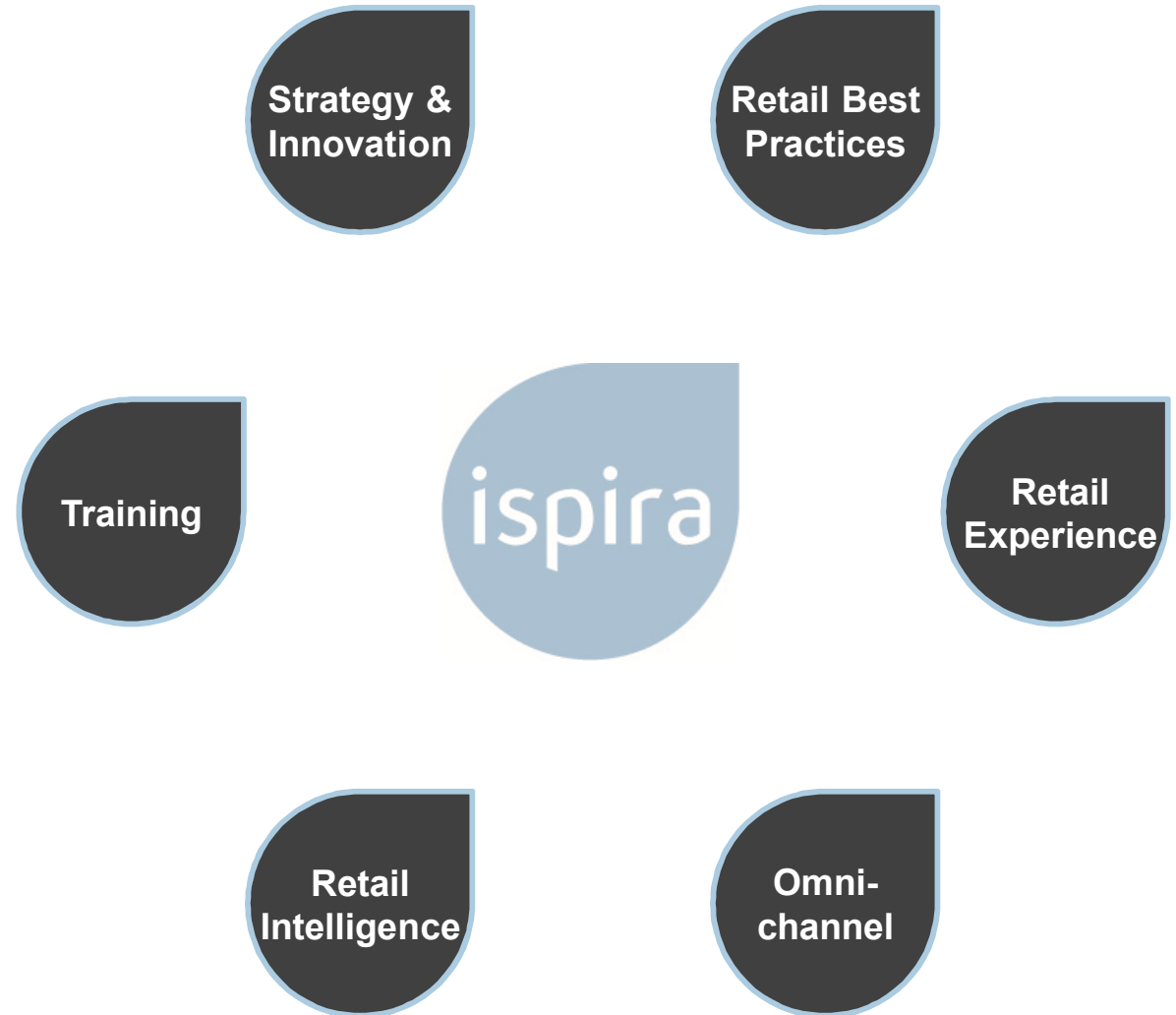
ispira

Ispira Ltd is a retail consulting practice providing vision, innovation and profitable delivery in omnichannel retailing, retail strategy, retail merchandising, retail experience, store marketing, retail intelligence.

With offices in London and Rome, we operate in competitive environments supporting the development of successful business models.

- We operate in 6 areas:
 1. Strategy and innovation
 2. Retail Best Practices
 3. Retail experience
 4. Omnichannel
 5. Market Intelligence
 6. Training

Ispira: Passionate About Retail





Team and experience

- We have a team of strategists, retail experts and creative team who have worked with leading international retailers in highly competitive markets. Some of our clients include:

Brand				
Adidas	Coin	Hugo Boss	Miroglio	Porcelanosa
Alessi	Compar Bata	Iceberg	Mondadori	Prenatal
Allsaints	Cortefiel	ICC	Motivi	Promod
Armani	DBApparel/Dim	Imaginarium	M&S	Replay
Autostrade	Domus Academy	Intesa BCI	Natuzzi	Salsa
Benetton	Emporio Armani	KappAhl	Nespresso	Sia
Binda	Ferragamo	Koton	Optissimo	Sixty
Bonprix	Ferrari	La Martina	OVS - Oviessse	Springfield
Boots	Fornarina	Luisa Spagnoli	Ozward Boateng	SunCapital Partners
Bottega Verde	Geox	Malo	Panorama	Terranova
Camper	GoldenPoint	Marella	Parah	The North Sails
Caractere	Gruppo Pam	MCS	Peuterey	VF Corporation
Carrefour	HMV	Marzotto	Piazza Italia	Zara



Retail Best Practices

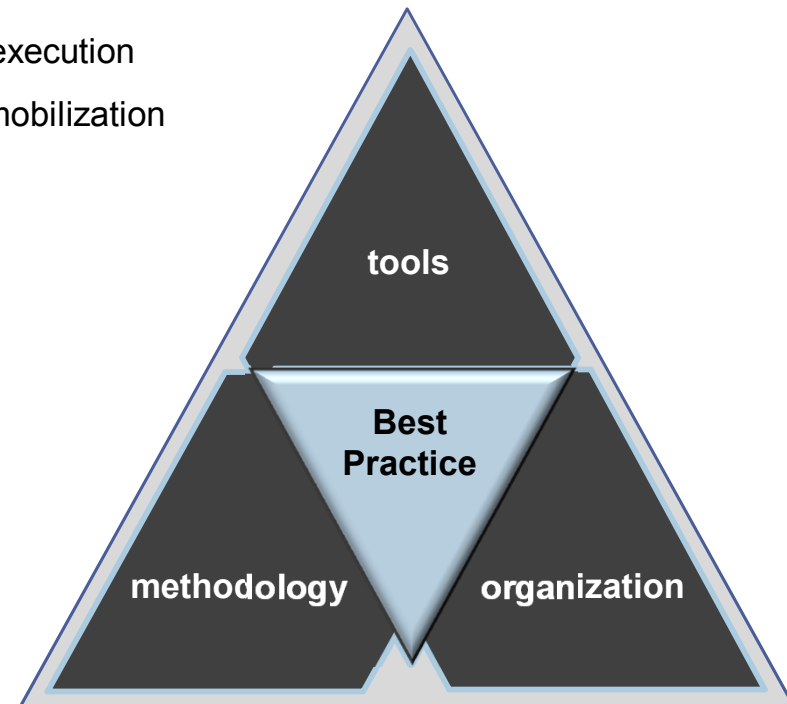
Retail Best Practices

Ispira delivers innovative and effective Buying & Merchandising Best Practices tailored to Client's business model, operational requirements and internal constraints. We work with the internal team to improve and link:

- **tools**: quantitative tools to support best practice process
- **methodology**: activities, B.I., decision process, timing, speed of execution
- **organization**: cross-functionality, collaboration, communication, mobilization

We are engaged Ispira to:

- develop retail planning strategy
- implement best practice assortment planning
- synchronize internal activities
- develop quantitative tools and algorithms
- support product forecast
- identify performance drivers
- improve internal business intelligence
- define role & responsibilities
- associate KPIs to each level in the organization
- develop customer forecast programs

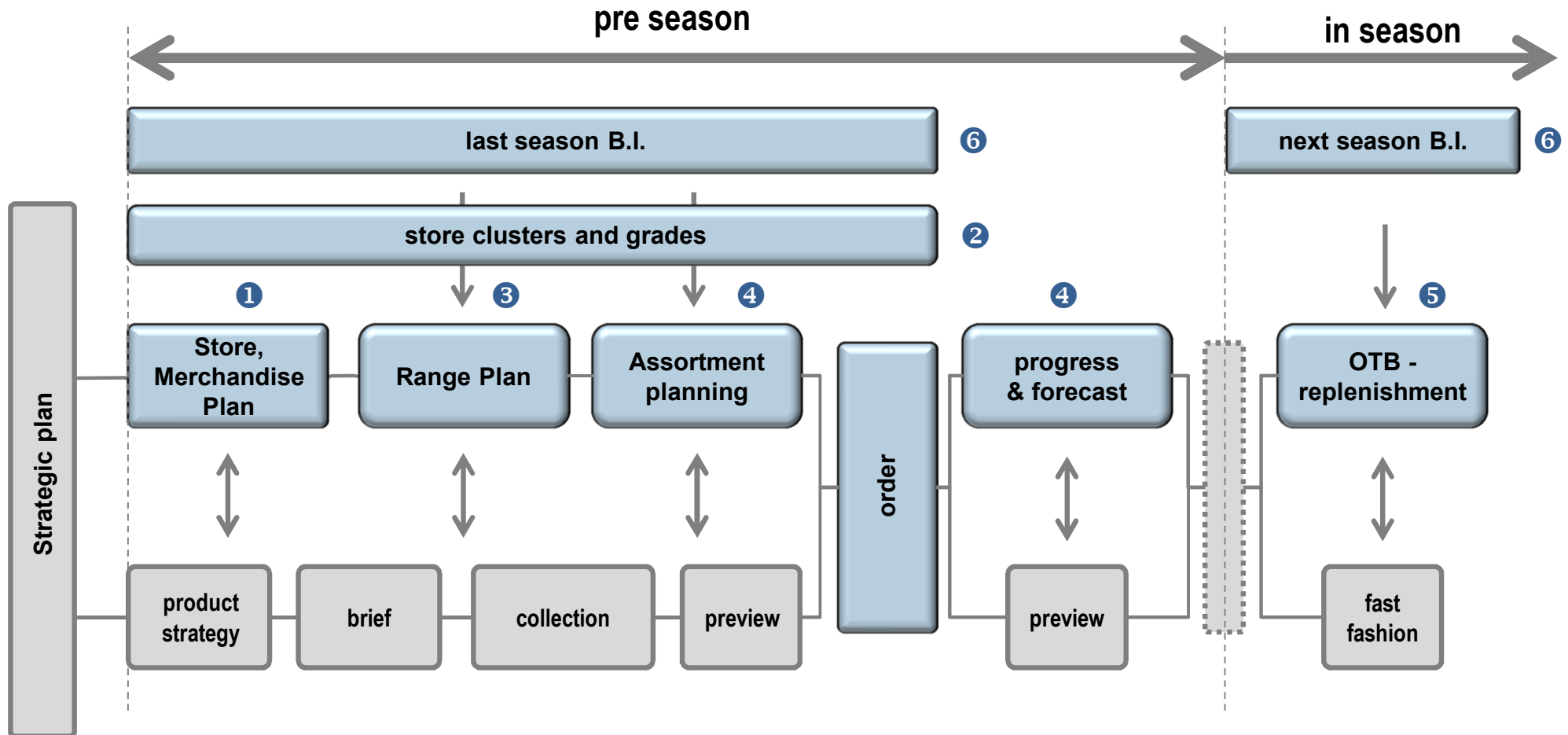


“The best way to predict the future is to create it.” (P. Drucker)

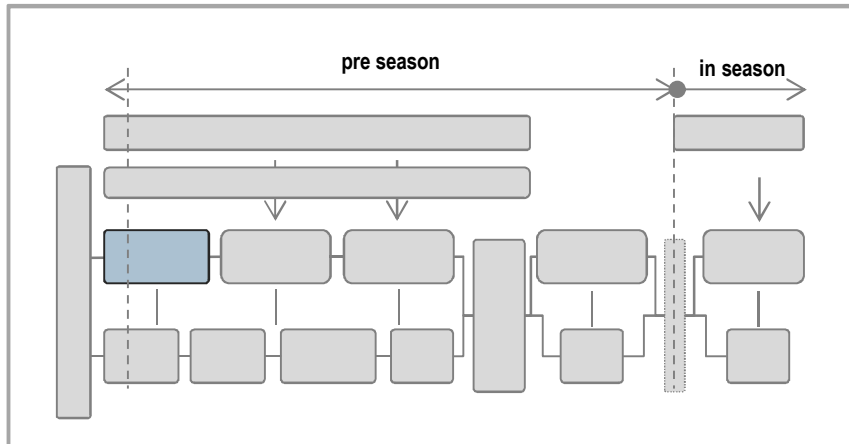


Collaborative infrastructure

- Ispira develops and delivers collaborative methodology across key stages of Buying & Merchandising process:
 - Merchandise Financial Planning, Strategic Assortment Planning, Store Clusters, Store Grading, Range Planning, Assortment Planning, Order Management, OTB management, In Season Management, In-Season Forecast, In-Season actions



1. Store Plan, Merchandise Plan



1. Organization :

- Finance
- Country manager
- Brand director
- Retail Director

2. Process

- Finance – Trade reconciliation
- Network evolution – CapEx
- Yearly budget – 3 year plan
- Product Development

Tool

1. Merchandise Financial Planning:

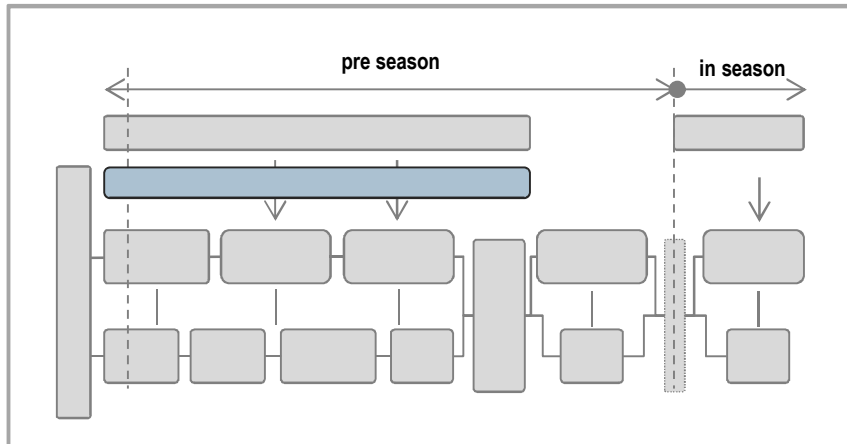
- › Sales and product planning
 - › Next 12/15 month sales forecast
 - › Seasonal split by month
 - › Collection/Product Category split by month
- › Store planning
 - › Total store network
 - › By cluster/grade
 - › By store

2. Seasonal budget

- › Convert sales budget into buying budget
 - › Pre-sale sell thru
 - › End of season sell thru
 - › AVG price
 - › Mark Up

3. Seasonal Brief to product

2. Store Clusters and Grades



1. Organization :

- Retail Director
- Product Merchandiser
- Country/Channel Mgr
- Marketing dir.
- Product Mgr
- Store Design

2. Process

- Catchment area segmentation
- Store formats segmentation
- Net sales / Net retail floor space segmentation

Tool

1. Store clusters

- › Catchment segments KPIs
 - › Demographics
 - › Style / end use
- › Store format segments
 - › location type
 - › label / product mix

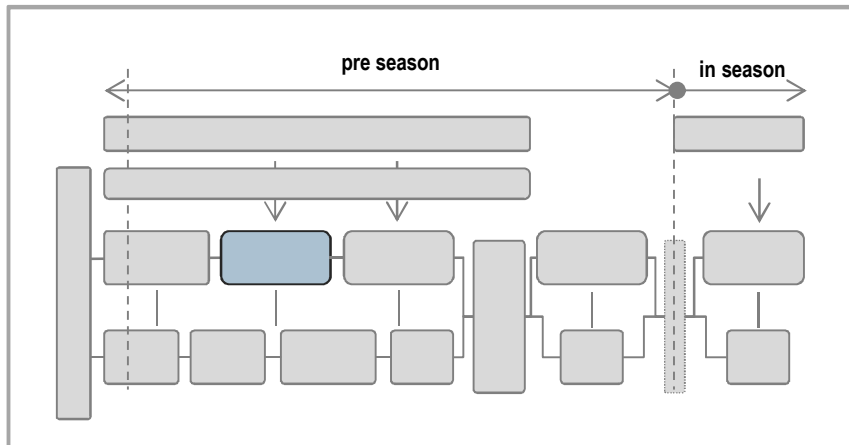
2. Store grades

- › Net sales segments KPIs
 - › Sales value, quantity
 - › Units/option
- › Net retail floor space KPIs
 - › Conversion from m2 to LM
 - › Linear metres by department
 - › Options/ linear metre

3. Range structure by cluster and grade

- › Unit depth by option, display densities

3. Range Plan



1. Organization :

- Brand Director
- Product Merchandiser
- Country/Channel Mgr
- Product Mgr
- Buyer
- Store Marketing

2. Process

- Product Development
- Assortment Structure Plan
- Pricing
- Unit Depth and sales potential

Tool

1. Assortment structure

- › Labels
- › Collections
- › End uses
- › Gender
- › Categories
- › Functions

2. Mix and YOY growth

- › Sales mix for each
- › Year-on-year growth

3. Delivery Plan

- › Number of deliveries
- › Product Life cycle

4. Option plan

- › AVG Price
- › AVG Quantity
- › Number of options
- › Option plan

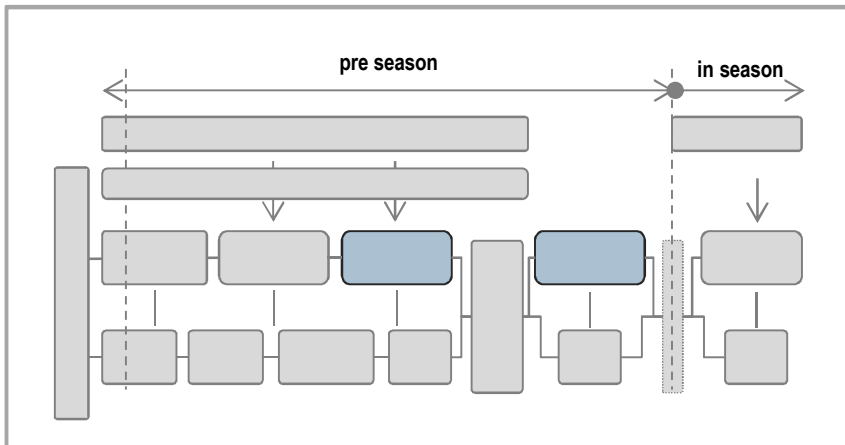
5. Store capacity by period

- › Reconciliation by period

6. Brief for retail calendar development

- › Events and merchandise requirements

4. Assortment Plan



1. Organization :

- Product Merchandiser
- Store merchandiser
- Buyer
- Country / Channel Reps

2. Process

- Assortment Definition
- Pricing
- Unit Depth and sales potential
- Order

Tool

1. Range architecture

- › Price architecture
- › Product role
- › Options by grade by cluster

2. Product Forecast

- › Crowdsourcing programs with final customers

3. Order vs Plan

- › Option, quantity, value by grade
- › Delta vs plan and alert
- › End of Plan re-forecasting

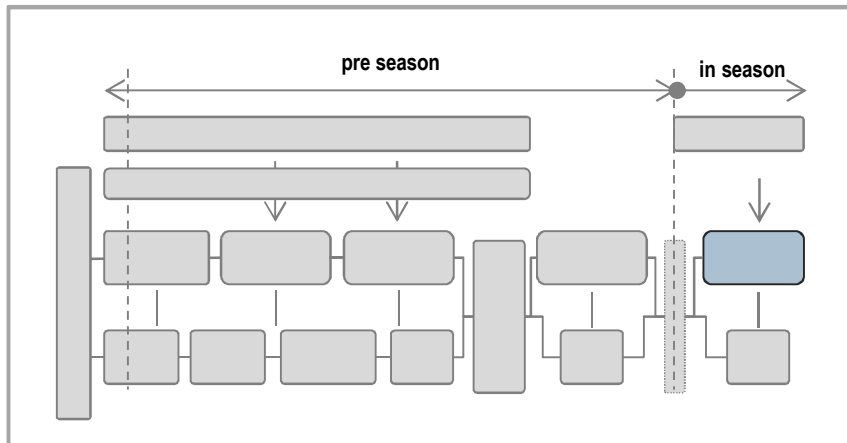
4. Product Allocation

- › Total quantity by store by grade by cluster and fine tuning
- › Delta vs plan and alert

5. Brief to Visual Merchandising

- › Product grouping principles
- › Campaigns and events

5. OTB & Replenishment



1. Organization :

- Store merchandiser
- Product Merchandiser
- Product Manager
- Country / Channel Reps
- Supply Chain

2. Process

- In Season Management
- Finance – Trade reconciliation
- Replenishment and reorder
- Supply Chain

Tool

1. Seasonal sales

- › Sales by relevant dimension
- › Sales by grade and by store
- › Weekly rate of sale
- › Sell thru rate

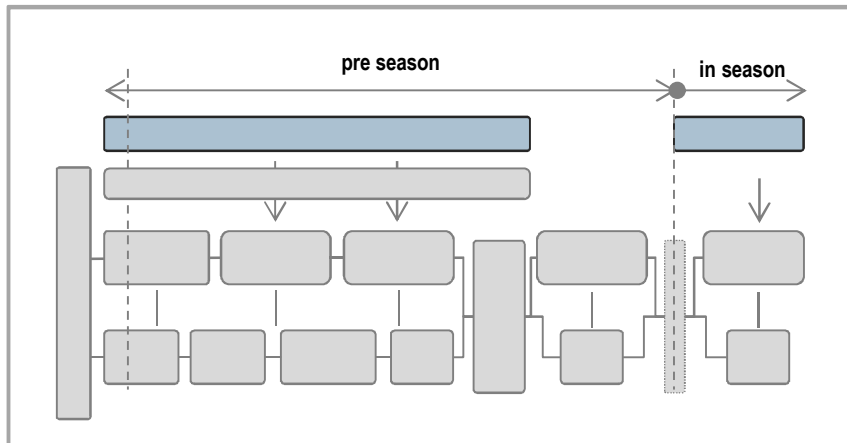
2. Seasonal sales reforecast

- › Full Price reforecast
- › End of season reforecast
- › Store seasonal sales reforecast
- › OTB reforecast

3. Replenishment

- › Product reorder
- › New product replenishment
- › OTB update

6. In Season Management



1. Organization :

- Product Merchandiser
- Store merchandiser
- Buyer
- Country / Channel Reps
- Supply Chain

2. Process

- In Season Management
- Finance – Trade reconciliation
- Replenishment and reorder
- Supply Chain

Tool

1. Seasonal sales

- › Retail Sales 'slice & dice'
- › Retail KPIs
- › alert - exception

2. Seasonal weekly rate of sale

- › Best Seller to Slow Seller rate of sale
- › Full Price and End of season reforecast
- › OTB reforecast

3. Short term action

- › Store transfer
- › Product reorder
- › New product replenishment
- › Markdown
- › OTB update

4. Next Season action plan

- › Best Seller Review
- › Customer follow ups and product forecast
- › Category Management
- › Brief for following season

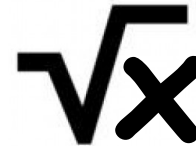
Our Approach

- **Best Practice Retail Merchandising Projects follow 6 key principles that ensure innovation, internal validation and ultimately performance improvement**



- **Collaboration**

We work closely with client's cross functional teams to ensure internal collaboration and to get constant validation



- **Quantitative**

We deliver quantitative tools to underpin our model, to support the new methodology and to test it during project execution



- **Implementation**

We develop workable methodologies that we share during daily activities of our client's team to ensure best fit to internal process



- **Customization**

All our deliverables are specific to our clients' requirements, culture and organization to make sure models and tools are quickly validated



- **Best practice**

We bring our best practice experience to evolve internal methodology. This has been developed in highly competitive and demanding markets



- **Organization & schedule**

We provide detailed job description for the positions involved in the new process together with schedule of activities and deadlines



Ispira Ltd

United Kingdom

90 Long Acre
WC2E 9RZ, London
t: +44 20 7903 5385

Italy

piazza del Popolo, 18
00187 Rome, Italia
t: +39 06 3671 2395



www.ispira.com



blog.ispira.com



info@ispira.com



[@thinkretail](https://twitter.com/thinkretail)