



# Ispira

passionate about retail

## Retail Best Practices

*Ispira: scientific and engaging solutions for retail*

	Strategy, Innovation		Omni-channel
	Retail Best Practices		Retail Intelligence
	Retail Experience		Training

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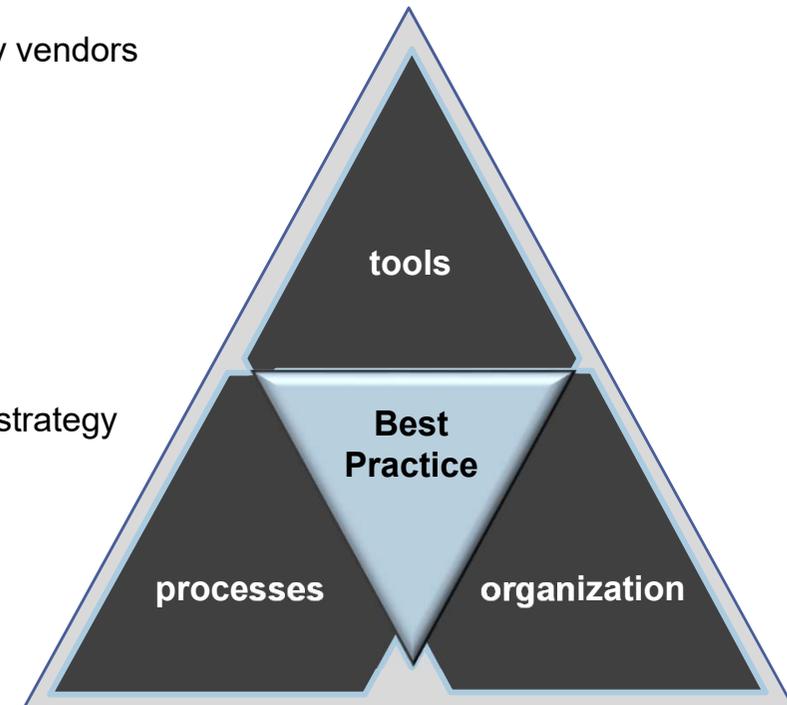
# Retail Best Practices

Ispira implements Buying & Merchandising Best Practices tailored to Clients' business model, to operational requirements to and internal constraints. We work with the internal team to improve and link:

- processes: methodology, timing, speed of execution, mobilization
- tools: retail planning quantitative tools, both internal or installed by vendors
- organization: cross-functionality, collaboration, effectiveness

Ispira is engaged to work alongside the B&M to:

- develop retail planning strategy
- improve collection development strategy
- evolve product segmentation, product lifecycle, product grouping strategy
- evolve planning of qualitative product attributes
- develop quantitative tools and algorithms
- define role & responsibilities, evolve accountability
- synchronize internal activities
- develop store grading models
- develop markdown optimization and dynamic pricing models
- identify performance drivers
- improve internal business intelligence



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



# Our Approach

- We follow 6 key principles that ensure innovation, performance improvement and long term acceptance



- **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's unique experience

- ✓ Our team represents a solid business partner for retailers and brands seeking innovation, growth, differentiation through pragmatic, expert support
- ✓ We bring together all the aspects of retail planning:
  - Quantitative planning consistent to financial targets
  - Qualitative planning to control all product-related dimensions
  - Network segmentation and requirements
  - “Need for speed” and organizational dynamics

## **Experienced professionals**

- more than 20 years experience in the industry
- extensive involvement with several leading international retailers
- active role in evolving assortment, planning methodology, trading performance

## **360° involvement**

- evolution of internal organization, roles and responsibilities
- evolution of activities, timing, flow of information, collaboration
- implementation of corporate tools

## **Business expertise**

- understanding strategic objectives, internal requirements, constraints
- injection of international retail best practices
- Implementation approach working on the side of the Buying & Merchandising team

## **Organizational evolution**

- Evolve roles and responsibilities
- High involvement and active participation of Buying and Merchandising team
- Fine tuning of tools and metrics according to specific requirements

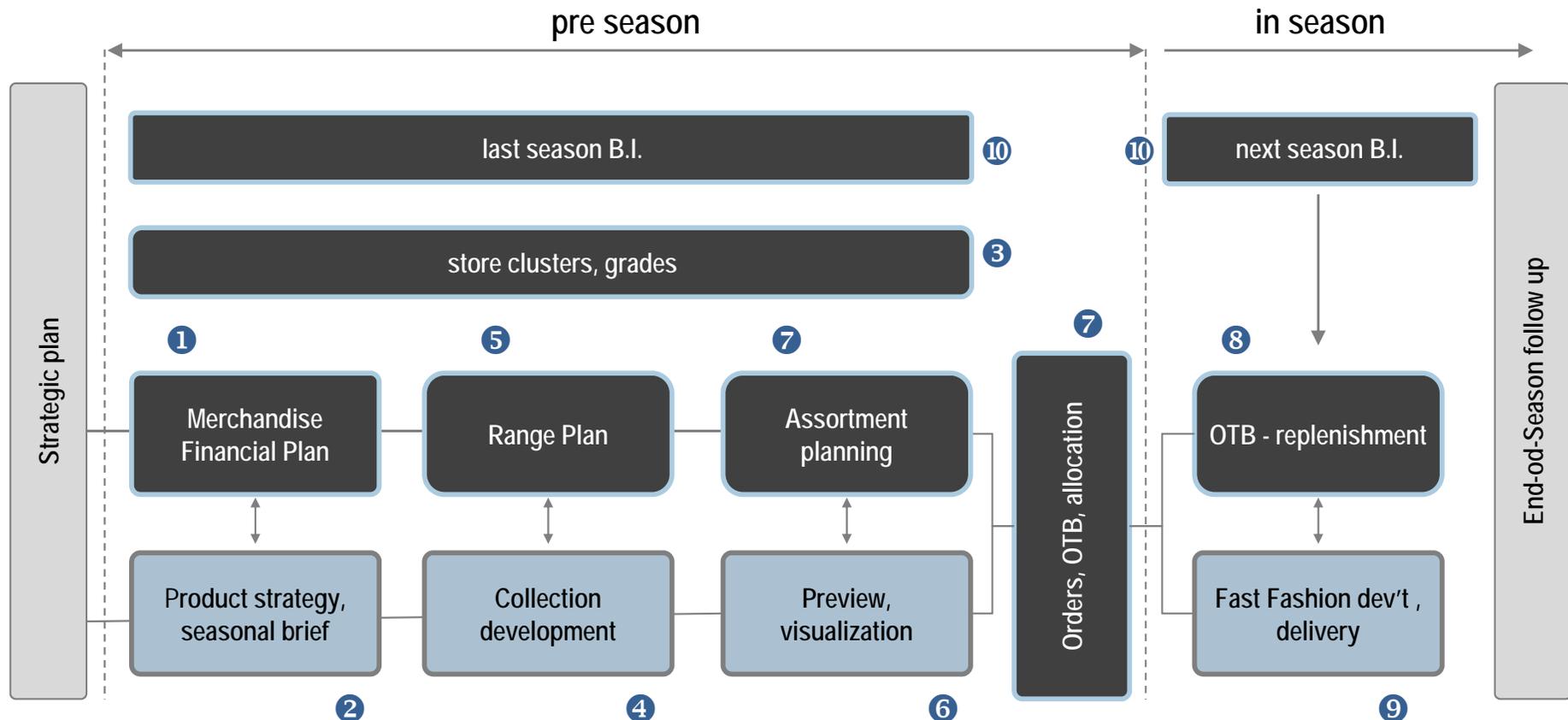


# Retail Planning Process

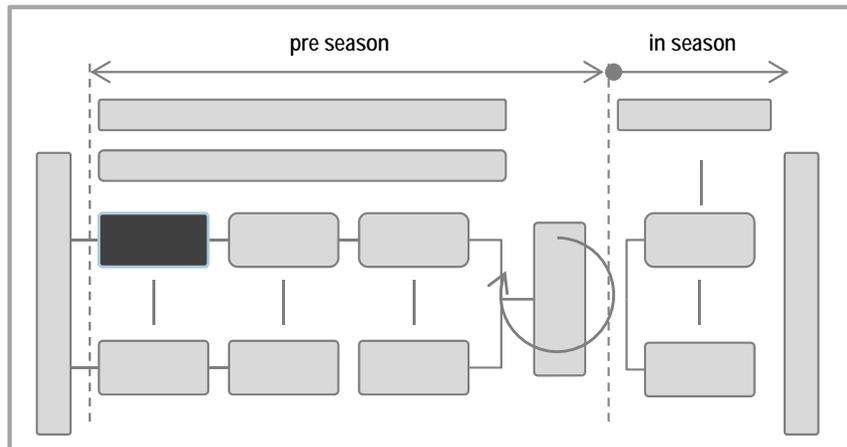


# The Merchandise Planning process

- Merchandise Planning is a key process within retail companies that allows to convert commercial targets into product innovation, collection development, range and assortment planning, high-impact seasonal deliveries
- Ispira is deeply involved in all stages of retail planning, assortment development, buying, in season management



# 1. Merchandise, Financial Plan



## 1. Organization :

- Finance
- Country manager
- Product Director
- Retail Director

## 2. Process

- Finance – Financial reconciliation
- Network evolution – CapEx
- Yearly budget – 3 year plan
- Product and Offer Strategy

## Key contents

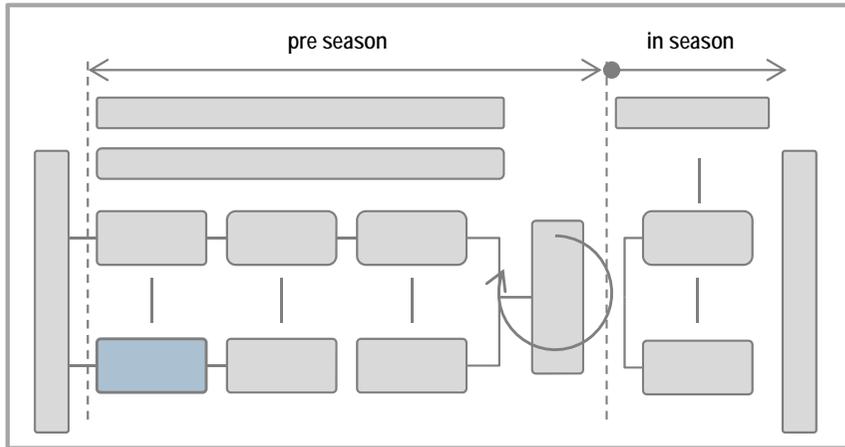
### 1. Merchandise Financial Planning:

- › Market Sales planning
  - › Next 12/15 month sales forecast
  - › Channel, region, cluster, store
  - › By period; LFL and non LFL
- › Product Planning
  - › Product budget
  - › Seasonal split at detailed level
  - › Style/End Use segmentation
  - › Delivery segmentation
- › Reconciliation – Market, Product
- › OTB validated and extracted from planning

### 2. Seasonal budget

- › Convert sales budget into buying budget
  - › Full Price, end of season sell thru
  - › AVG price
  - › Margin

## 2. Product Strategy, Seasonal Brief



### 1. Organization :

- Product Director
- Fashion Director
- Product Planner
- Retail Director
- Category Managers

### 2. Process

- Product Strategy
- Seasonal Brief

### Key contents

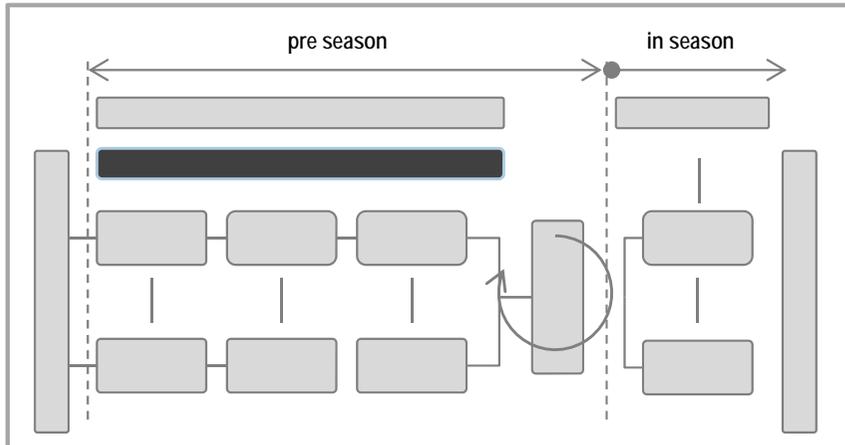
#### 1. Product Strategy:

- › Target customers, personas
- › Market Position
- › Strategic product evolution
  - › Style/end use segmentation
  - › Capsule, projects
  - › Product mix, price strategy
  - › Range extension
- › Assortment KPIs

#### 2. Seasonal Brief

- › Style trends
- › Product grouping guidelines
- › Assortment segmentation
- › Product role and lifecycle
- › Specific product performance drivers

# 3. Store Clusters and Grades



## 1. Organization :

- Retail Director
- Country/Channel Mgr
- Store Planner
- Product Director
- Product Planner
- Store Design

## 2. Process

- Qualitative segmentation
- Retail floor space, Net sales quantitative segmentation

## Key contents

### 1. Store clusters

- › Catchment segments
  - › Demographics
  - › Style / end use
- › Store format segments
  - › Location type
  - › Label / product mix

### 2. Store grades

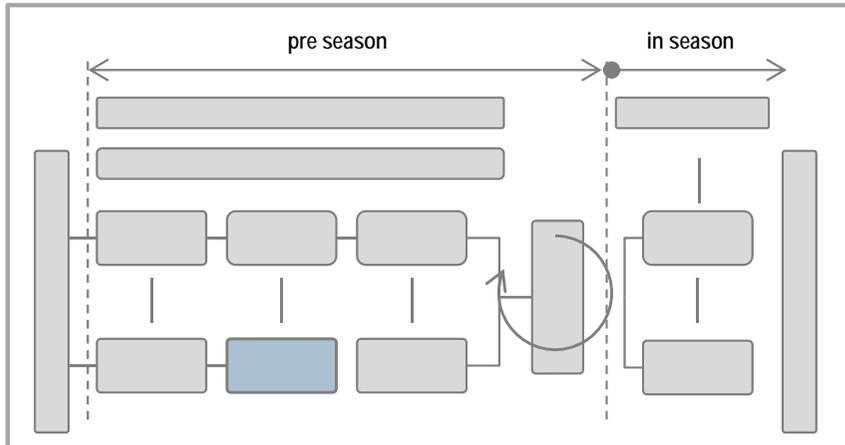
- › Retail floor space
  - › Conversion from m2 to LM
  - › Linear metres by department
  - › Options/ linear metre
- › Net sales segments
  - › Sales value, quantity
  - › Units/option

### 3. Range structure by cluster and grade

- › Unit depth by option, display densities



# 4. Collection Development



## 1. Organization :

- Product Director
- Fashion Director
- Product Planner
- Product Manager

## 2. Process

- Collection Development
- Collection structure
- Pricing

## Key contents

### 1. Collection Development

- › Assortment development by flow
  - › styles, fabrics, colors
  - › links across flows
- › Base, tone, accent color by flow
- › Links between collection and customer personas

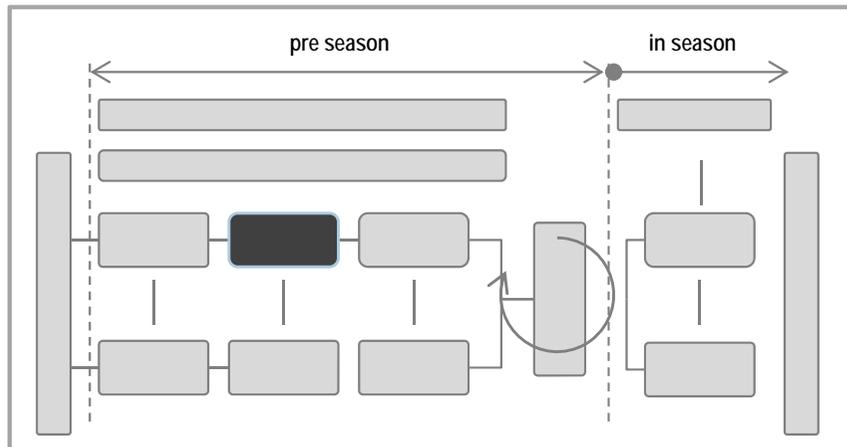
### 2. Collections Structure

- › Stories
- › Categories
- › Hero products
- › Events, Promotions

### 3. Pricing

- › Development of price architecture by
  - › Theme
  - › Category

# 5. Range Plan



## 1. Organization :

- Product Director
- Product Planner
- Product Manager
- Buyer
- Store Marketing

## 2. Process

- Assortment Structure Plan by Flow
- Price architecture
- Unit Depth and number of option

## Key contents

### 1. Assortment structure

- › Labels/capsules
- › Collections
- › Style/End uses
- › Flows
- › Category Mix
- › Price Arch.

### 2. Mix and YOY growth

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

### 3. Delivery Plan

- › Assortment Structure by Delivery
- › Product Lifecycle

### 4. Option plan

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

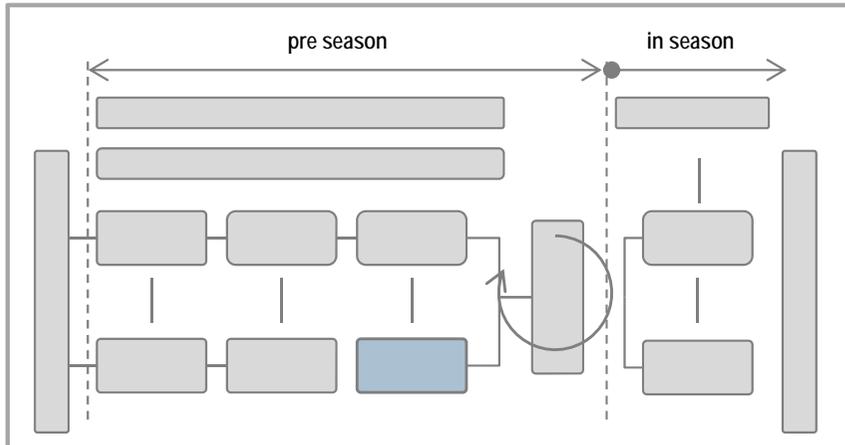
### 5. Store capacity by period

- › Reconciliation by period

### 6. Brief for retail calendar development

- › Events and merchandise requirements

# 6. Preview



## 1. Organization :

- Product Director
- Fashion Director
- Product Planner
- Product Manager
- Visual Merchandising

## 2. Process

- Qualitative attribute planning
- Product Role, product grouping
- Product grading

## Key contents

### 1. Collection fine tuning

- › Collection review
- › Planning of qualitative attributes
  - › style, end use, colors, fabric, length, fit, neck
- › Coordination across flows

### 2. Product role

- › Mix of:
  - › Image
  - › Normal
  - › Best
  - › Continuous

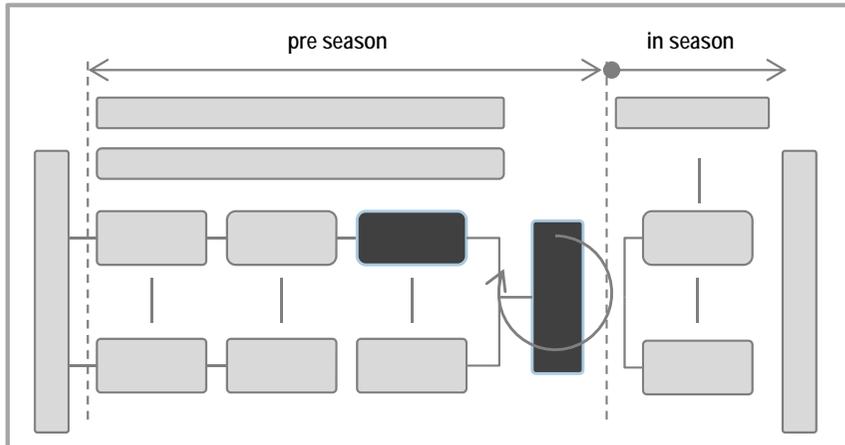
### 3. Product grading

- › Collection structure by grade
- › Core and additional items

### 4. Grouping requirements

- › Essential product grouping to deliver collection
- › Product delivery requirements

# 7. Assortment Plan



## 1. Organization :

- Category Manager
- Product Planner
- Buyer
- Country / Channel Reps
- VM

## 2. Process

- Assortment Selection, Assign
- Unit Depth, Buying
- Initial Allocation
- Product Visualization

## Key contents

### 1. Assortment Selection

- › Total retail assortment by delivery
- › Options by grade by cluster

### 2. Assortment Assign

- › Options by delivery by grade

### 3. Unit depth & order

- › Product role by option
- › No. of options, quantity, value by grade
- › Delta vs plan and alert
- › OTB updated, re-forecasting
- › Buying confirmed

### 4. Product Allocation

- › Initial allocation by store

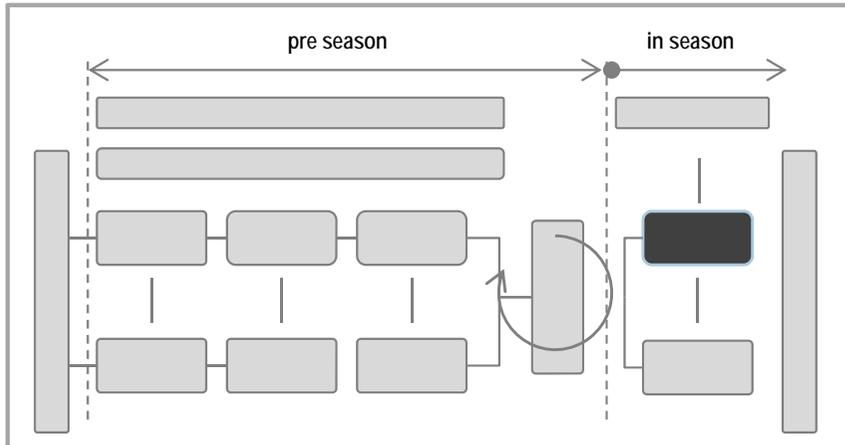
### 5. Assortment Visualization

- › Product display sign-off for each group of each flow

➤ Repeated for every pre-season flow



# 8. OTB & Replenishment



## 1. Organization :

- Demand Planner
- Store Planner
- Product Planner
- Product Manager
- Country / Channel Reps

## 2. Process

- Seasonal Sales
- Reforecast, OTB
- Replenishment

## Key contents

### 1. Seasonal sales

- › Sales by relevant product attribute
- › Sales by grade and by store
- › Performance by product group: story, category, capsule, promotion
- › Weekly rate of sale, sell thru rate

### 2. Reforecast, OTB

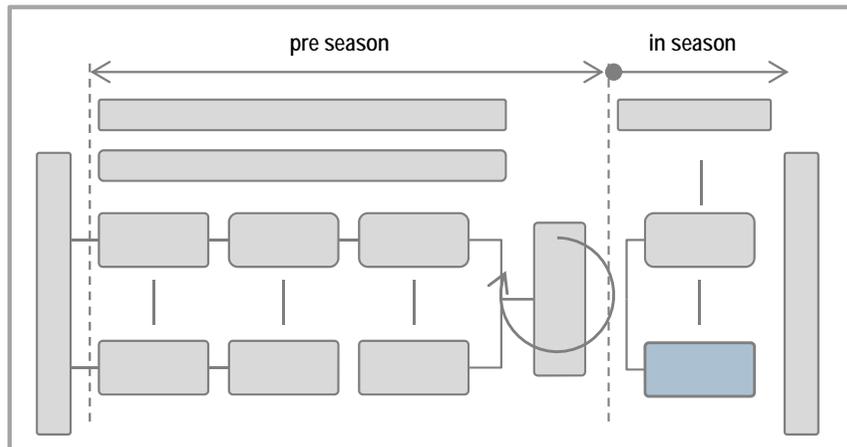
- › Full Price, End of season reforecast
- › Reforecast by style segment
- › OTB reforecast and release by style segment by grade

### 3. In-Season Replenishment

- › Store replenishment
- › Omnichannel stock optimization



# 9. Release of In-Season collections



## 1. Organization :

- Demand Planner
- Store Planner
- Product Planner
- Product Manager
- VM

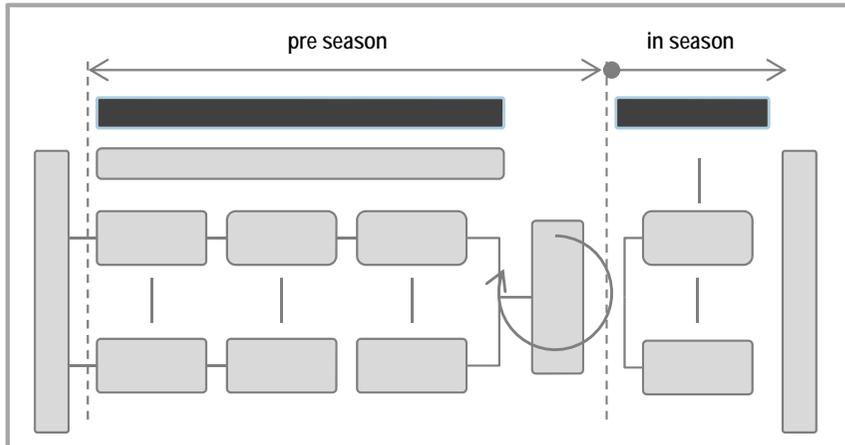
## 2. Process

- In-Season Collection development
- Released OTB assortment planning
- Grouping requirements
- Assortment definition
- Product Visualization

## Key contents

1. In Season collection development
  - › Collection development, review, sign off
  - › Style, end use segmentation
  - › Control of product qualitative attributes
    - › Colors, fabrics, fit, length, neck
2. Released OTB assortment planning
  - › Qualitative segmentation
  - › Product mix, price architecture
  - › Unit depth, number of options
  - › Product roles
3. Grouping requirements
  - › Product grouping principles
4. Assortment definition
  - › Option selection, check vs OTB
5. Product Visualization
  - › Product display sign off

# 10. In Season Management



## 1. Organization :

- Demand Planner
- Store planner
- Product Planner
- Country / Channel Reps
- Category Mgr

## 2. Process

- Seasonal Sales
- Assortment KPIs
- Inputs for next Season

## Key contents

### 1. Seasonal sales

- › Retail Sales 'slice & dice'
  - › across qualitative product attributes
- › Retail KPIs; alert - exception

### 2. Assortment KPIs

- › Best Seller to Slow Seller rate of sale
- › performance by product group
  - › story, category, capsule, promotion
- › Performance by
  - › display type
  - › flow

### 3. Inputs for next Season

- › Best Seller Review
- › Customer follow ups and product feedback
- › Summary for assortment strategy



# About us

# 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	Cucinelli	Hugo Boss	Miroglio	Primark
Alessi	Dim/Hanes Brands	Iceberg	Mondadori	Prenatal
Allsaints	Domus Academy	IC Group	Motivi	Promod
Armani	Emerisque Brands	Imaginarium	M&S	Replay
Atlantia	Emporio Armani	Intesa BCI	Nespresso	Safilo
Bata	Ferragamo	KappAhl	Optissimo	Salsa
Benetton	Ferrari	Koton	OVS	Sia
Boots	Fornarina	La Martina	Ozward Boateng	Springfield
Bottega Verde	Geox	Luisa Spagnoli	Panorama	SunCapital Partners
Camper	GoldenPoint	Luxottica	Parah	Terranova
Carrefour	Gruppo Pam	Malo	Peuterey	The North Sails
Coin	Harmont & Blaine	Marella	Piazza Italia	VF Corporation
Cortefiel	HMV	Marzotto	Porcelanosa	Zara



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