

Advanced Product Lifecycle Planning and Management

Effective management of product lifecycle KPIs enables organizations to address the increasing complexity of retail and the volatility of consumer purchasing behavior

5 key Lifecycle-related Parameters
3 Corporate Pillars

Strategy, innovation, successful implementation

ispira

Leveraging key product lifecycle parameters to address retail challenges

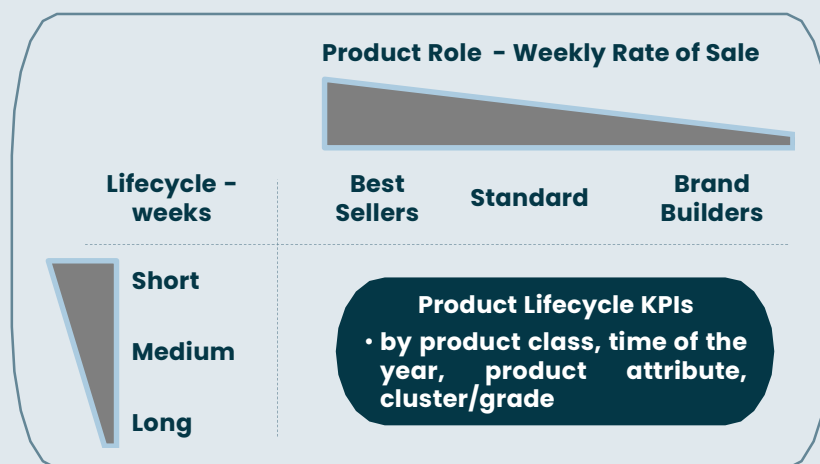
The challenges:

demand volatility, margin pressure, stock management

- Many retail segments are undergoing profound transformation due to new Shopping styles, changing purchasing choices, and higher expectations regarding sustainability and transparency
- Leading retailers respond by closely monitoring shifts in consumer preferences, market trends, and price sensitivities. Product assortments are optimized with precision to align commercial opportunities with inventory levels
- Advanced product lifecycle management has become a key driver of commercial success. Five core parameters serve to enhance the quality of strategic planning and in-season management

Five KPIs for End-to-End Lifecycle Management

1. **Product Lifecycle Duration - weeks:** define lifecycle types - e.g., short, medium, long - establish the specific timeframes for each
2. **Product Role Classification:** segment products into roles - e.g. Best Sellers, Standard, Brand Builders - and align each with its expected weekly rate



3. **Weekly Rate of Sale Differentiation across Lifecycle Stages:** adjust rate of sale through key phases - introduction, maturity, first markdown, second markdown
4. **Attribute-Based Parameter Differentiation:** adjust lifecycle, product role, weekly rate of sale, to the unique characteristics of each offer segment
5. **Cluster and Grade Segmentation:** differentiate lifecycle and product role parameters based on the qualitative and quantitative profiles of store clusters and grades

Pre-Season Lifecycle Activities: A Holistic Framework

Strategic Planning, analysis, forecasting, collaboration, advanced methodologies, customized tools – 10 fundamental steps

1. Recent Performance

- Sales, gross margin, inventory levels
- Customer behavior and purchasing patterns
- Current KPIs by planning segment

2. Market Evolution

- Sales trends, product evolution
- Seasonality, product lifecycle, purchasing styles

3. Potential and Commercial Planning

- Objectives, market positioning
- Product and offer innovation initiatives
- Store network structure, price elasticity analysis

4. Product lifecycle planning

- Short, medium, long lifecycle types
- Full-price weeks, markdown phases
- KPIs based on historical data, forecasting, trends
- Consistency with collection development

5. Differentiation of product roles

- Best Sellers, Standard, Brand Builders roles
- KPIs based on historical data, forecasting, trends
- Consistency with collection development

6. Supply Chain Integration

- Supplier scouting, selection, and partnerships
- Time-to-market optimization by assortment segment
- Integration into product development and fine-tuning

7. Attribute-based Planning

- Relevant attributes for each assortment class
- Objective segmentation by class
- Lifecycle and role tuning by attribute
- Markdown levels tailored to lifecycle phase

8. Rate of Sale and Sell-Through Targets

- Weekly rate of sale by lifecycle phase, role, product attribute
- Conversion of sales into Buying
- Weekly and lifecycle-phase sell-through targets

9. Cluster and Grade Differentiation

- Lifecycle, role, and sell-through segmentation by qualitative characteristics, store size, and sales performance

10. Product grouping

- Product relationship with the others in the collection—function, theme, iconic products
- Fine-tuning lifecycle KPIs

Impact of Comprehensive Lifecycle Control on Key Commercial Drivers

Growth in sales and final gross margin, reduction in inventory, increase in sell-through

- Proven Results: recent initiatives in highly competitive markets demonstrate that disciplined planning and management of lifecycle parameters can deliver double-digit improvements in both the income statement and working capital

Impact of enhancements on 3 selected Drivers	Sales	Gross Margin	Inventory
Better mix between short, medium and long lifecycle products	+++	++++	+++++
Improved planning based on number of units sold per week	++++	++++	+++
Improved lifecycle segmentation by cluster and grade	+++++	++++	+++
Better differentiation of sales potential by product role	+++++	+++++	++
Planning Full-Price and Markdown weekly rate of sale	++	+++++	+++++

The 3 Corporate Pillars enabling Advanced Lifestyle Management

1. Organizational integration

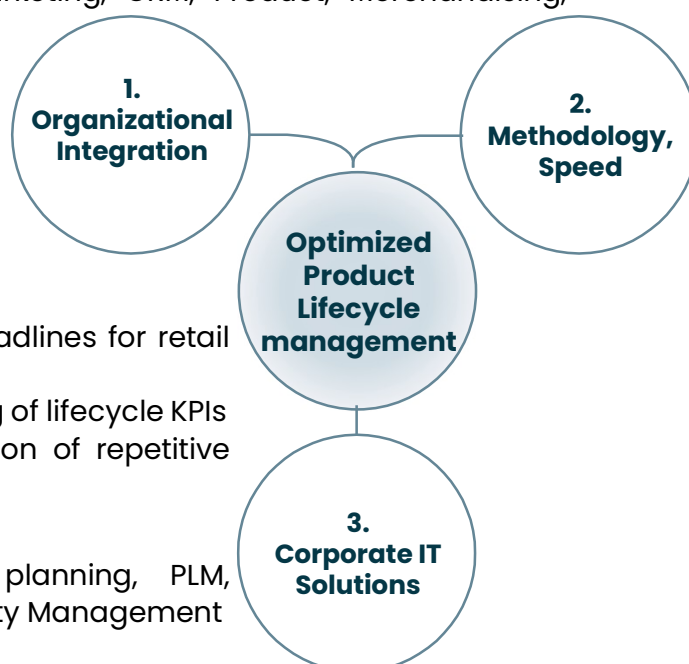
- Seamless collaboration among Marketing, CRM, Product, Merchandising, Sales Channels, Supply Chain
- Cross-functional, shared targets
- Clear allocation of Roles and responsibilities to all stakeholders
- Validated decision making and escalation processes

2. Methodology, Speed, reduced Time-To-Market

- Validated activity sequence and deadlines for retail planning and product development
- Continuous monitoring and updating of lifecycle KPIs
- Elimination of duplication, automation of repetitive tasks, reduction of iterations

3. Corporate IT Solutions

- Integrated platforms for Retail planning, PLM, Analytics, Prediction, Customer Loyalty Management
- Customized planning workflows
- Lifecycle KPIs defined, tracked, and monitored



How we can help

Ispira partners with clients to **assess, identify areas of evolution** and growth; **implement best practice methodologies** that strengthen retail planning, in-season execution; **enhance corporate tools systems** with advanced functionalities; **drive organizational innovation** in line with evolving business challenges