Keeping Up with Explosive Demand
Managing Growth with Shared Visibility

Overview

The Company
An athletic performance wear brand with a billion dollars in sales

The Challenge
In a period of high growth, the company urgently needed to better project and manage demand in their wholesale channel

The Solution
Implementing 7thonline Wholesale--a merchandising and collaborative assortment planning platform--to effectively capture demand, plan assortments based on accounts and enable earlier demand visibility to sourcing and production

What Makes It Work
High-level merchandise planning as well as detailed account planning with an embedded BI reporting engine to ensure accurate capturing of real demand and timely insights into sales opportunities

The Result
"Sourcing now have more accurate merchandise plans which enables better price negotiations for capacity requirements, less drops with more valid business plans … (this allows us to) drive sales proactively –identify opportunities and challenges earlier in the process."

-- Sr. Manager of Planning

It is every athletic brand's dream to make it onto the national or international stage at the world's most prestigious arenas. To get there, the company has to overcome challenges in all shapes and forms—in 2010, one such brand with big dreams found themselves with a problem that many would beg to have: the demand for their innovative performance gear was through the roof. "We don't even know how much to produce in order to keep up with the demand," said their Global Planning Director.

It was a $700 million company and a hot-selling brand at the cusp of breaking over a billion dollars in sales. Until that point, their wholesale merchandise and account planning for retailers was all done in a spreadsheet environment. The explosive demand put tremendous pressure on the brand's ability to gain an accurate picture in order to better project for production and ensure the surge of demand was properly fulfilled. As a company, they were frantically searching for ways to upgrade their internal process and planning capabilities in order to grow into a household name.

The Challenge of Capturing Demand during Rapid Growth

As a maker of technical athletic wear and accessories, a global supply chain was in place humming away with raw materials and specialty fabrics. To ensure timely deliveries of top quality products, the production process demanded ongoing negotiations and management of factory capacity and production requirements—all of which closely tied with information of how much demand there was going to be.

While production moves along, behind the scenes, the merchandising team usually begins high-level planning by categories and gender 18 months ahead of delivery time. In a parallel spreadsheet world, however, sales were doing their own planning for major retail partners by looking at historical sales. While merchandising, sales and production all need visibility into real market demand during different points in time, it was not available to these teams on a centralized platform, nor was there an internal process to coordinate decision making amongst these important functions. As a result, they ended up with a convoluted spreadsheet synch up between merchandising and sales and little flexibility to properly address additional demand as it came.

Business Benefits

- Earlier demand insight for production and sourcing

- Demand visibility shared by merchandising, sales and production to increase flexibility in demand changes

- Easy monitoring and reporting on aggregate and account-level demand to better guide sales strategies

- Up-to-date product information to reduce planning errors

A Platform for Demand Visibility & Systematic Planning

The inherent inefficiency of having to synch up separate planning numbers to arrive at production orders was only the surface of the problem. The real challenge was the lack of visibility that the merchandising and production teams desperately needed in order to be flexible enough to handle the growing demand. Such visibility was not only important for more accurate production, it could also arm sales with the most up-to-date aggregated order information to make better decisions of managing new demand.

To help address this critical demand planning challenge at a period of high growth, they decided to implement 7thonline's Wholesale Solution—an integrated wholesale merchandise and account planning platform with embedded Business Intelligence and reporting.

Gain Critical Visibility
7thonline planning platform became the central location where both merchandising and sales can directly engage in their respective planning with visibility into each others' plans during the 18 month journey. Production also has access to the most up-to-date demand and plan numbers during different check points of the production schedule so that they can better anticipate and negotiate factory capacities and production requirements. Now reports can easily be run for sourcing on the fly instead of having to go through multiple sources. This shared visibility allowed all three important business functions to better adjust their own strategies and decision making based on the same information.

This brand's Canadian line now also has visibility to what was planned for them at the top level so that they can accurately plan for accounts. Communication between them and corporate also happen a lot earlier on in the process because of this visibility. Lost dollars due to sales of incorrect styles were largely reduced as a result.

Guide Sales with Better Information
The sales team now has a standardized way to share information with their accounts and work collaboratively with buyers. Reps also use 7thonline's Doll Sheet to present a visual view of assortments when in sales meetings or during planning—they used to manually create doll sheets, which was a cumbersome and time-consuming process.

By running reports such as Available-to-Sell (ATS) by a click of a button, sales can gain an immediate understanding of the demand at any time during market. This important understanding can guide decisions to chase orders at some accounts or recommend additional styles to others. All of the back-and-forth entries and edits are now properly captured and updated instantly instead of time-consuming manual entry which is highly error prone.

Additionally, having the central visibility to real demand opened doors to better planning for smaller accounts. For example, prior to having such visibility, smaller accounts often booked styles that end up dropping because of minimums. Now reps are able to be proactive about recommending styles that they see are going to larger accounts and will not be dropped. Being able to service these smaller accounts better was an important aspect of growing the brand during a time of high demand.

Solution Highlights

- Collaborative Assortments – Worksheets designated for account planning

- Doll Sheet –Plan and present assortments with visual view

- BI Report Builder –Embedded within solution for instantaneous reporting and insights

- Cloud –based Solution—Accessible via the web

Ensure Greater Accuracy

The use of a planning platform to aid production and sales collaboration also helped to greatly reduce error rates. Dropped styles during market used to create a lot of confusion and inefficiency in a world of disconnected spreadsheets. Now they are crossed out on worksheets for everyone to see, and all users receive additional email alerts so that all sales reps are kept on the same page while meeting with buyers.

Additionally, the old order upload process into their ERP system was extremely time consuming and error prone. It could take a minimum of one hour per account. In a rapid growth period with great demand, such constraints became very unproductive. Now 7thonline is set up to send final production orders with greater data accuracy, and merchandising teams also use 7tholine to run reports ahead of time to validate style information. Both accuracy and speed were greatly improved.

Managing Growth, Proactively

For the Global Planning Director and her CIO, the key was to ensure that the business was structured to scale—a much greater scale given the high demand that was constantly adding pressure to the existing way of doing business. They understood clearly that the technology infrastructure around their wholesale planning and sales processes needed to be upgraded from a predominantly spreadsheet environment to a centralized visibility and planning platform. With the introduction of 7thonline, they were able to adjust their existing business process of disjointed merchandise and sales planning into a more cohesive and collaborative process for merchandising, sales, production and sourcing. All of the improvement in information visibility and accuracy contributed to greater business process efficiency that helped the entire company to be more proactive in planning and managing their growth. They are no longer scrambling to fulfill orders or turning away additional requests. Instead, they have become an increasingly confident owner of their business information, and the company has successfully surpassed their first billion in sales.

About 7thonline

7thonline is the leading provider of cross channel merchandise and assortment management solutions to the retail and wholesale industry. The company's cloud and enterprise software enables more effective planning, demand forecasting, and consumer centric optimization for global and fast growing brands. 7thonline's embedded business intelligence and analytics offer cross-channel inventory visibility for retailers, eCommerce, and vendors allowing for greater operational performance, increased sales, reduced markdowns, and improved margins. Customers include G-III Apparel Group, GRI Retail Group, Jimmy Jazz, Michael Kors, Nautica, Oakley, Phillips-Van Heusen, Under Armour, VF and others. 7thonline is headquartered in New York City with global offices.

For more information, please visit:
www.7thonline.com