

MERCHANDISE MANAGEMENT



STRATEGY,
PROCESSES,
PLANNING,
CULTURE
AND
EXECUTION

BY RIC ANDERSON

MERCHANDISE MANAGEMENT:

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By Ric Anderson

These Processes are a living document of the methodology for the management and execution of running a strong Merchandise Category.



CUSTOMER VALUE PROPOSITION

- What is the CVP for that Product Category?
- Does it build the Product Category as a Brand?
- Does it align with the Stores CVP?
- What are the goals of each Division? Purple Cows?
- Service Level by type of Revenue Channel or Store Profile.

MERCHANDISING

- Brand Profile for each Private Brand with comparisons to National Brands
- Goals by brand as to purpose, penetration, financial and future
- Goals by Division as to purpose, sales, profit, ROI



SALES, GM\$

By Time: Broken down to Days, Weeks, Quarters, Seasons. Year

- Regular Sales to Clearance Sales by Division by Week.
- By Sub Categories: Dresses, Denim, Shoes etc.
- GMROI by Division by Month
- GMROI by Customer Profile
- GM\$ broken down by Division by Week sub totals to month, quarter, season year. With % to total: Forecast, plan, actual, LY.
- By Category by Geography
- By Top Doors penetration and learning's
- By Revenue Channel by Week by Division: Sales, GM%, GMROI, Marketing Expense
- By Division for 5 years: Sales, GM\$, GM%, GMROI

STORES

- Sales, GM\$, Sq. Ft. Sale per Sq. Ft. , GM\$ per Sq. Ft. ROI Year, Season, Quarter
- Adjustments by Season to Sq. Ft.
- By Geographic Region
- By Large Metro with Marketing by Region
- By Demographics: Urban, Suburban, Rural
- Sales and GM\$ by Sq. Ft. compared by each Apparel Category.
- Grouped by traffic flow in Store. Back vs. Front
- Consultative vs. Open Sell vs. 50/50

CULTURE

- Individual Reviews and Goals
- Brand building Classes
- Classes on Marketing to achieve goals.



ANALYSIS

- Customer profiles percent by Division.
 - By Type of Customer: Fashion, Comfort, Career, Casual,
- Colors, fabrics, body types
- Aged Inventory by Division by Month
- Top 100 Items
 - Top 50 items by Division
 - Top 20 by Customer Profile
- Number of Items needed by Product Category and Customer Profile.
- Top 10 Vendors by Division: Sales, GM\$, GM%, GMROI, Penetration %
- Market-basket
 - Other Apparel Categories down to Sub-Division level, in Basket by dollars and percent
 - Break Down by Month
 - Market Basket for Shoes by Division
 - Frequency by Apparel Category down to Sub Levels.
 - Most Profitable Customer vs. Most Sales vs. Frequency.
 - Market Basket results with different Product Marketing.

MERCHANDISE PROCESSES

- Good, OK, Ugly: Review of past season by Category
- Semi-Annual Competition Review
- Big Ideas: by Category
 - Why, When, How Big? Which Vendors, Marketing, Financials, Bonus Item.
- Line Reviews
 - Sales by week
 - GM\$
 - Marketing
 - Breakdown by Customer Type
 - Competition
- Template for Vendor Meetings.
 - Checklist of information, expectations, plans,
- Critical Thought Process
 - What do we want to know? When, How,
 - From whom?
 - In what form?

PLANS

- Vendor Plans – Forecast, Plan, Act, LY
- By Division by month: Sales, inventory(cost & retail), Turn, Reg MD's, Promo MD's,
- TOP DOOR: Plans by Division for top percent of Doors.

MARKETING

- Sales by Week % to total with Marketing by week by channel % to total.
- Footwear Events geared toward fashion or Category.
 - Template on elements needed for each event.
 - Goals: Financial and Branding.
- Competition Marketing by Week with Ad Book.
- Marketing Plans by Week 6 months in advance.
 - Events and Themes of Ads
 - Types of Footwear in Ad
 - Actual Samples and Colors.
 - Partner with any apparel categories



COMMUNICATION: MEETINGS AND PROCESSES

- Master Calendar of meetings, due dates and responsibilities
- Weekly Merchandising meeting with Best/Worst Sellers
- War Room with Advertising by Week
- Monthly Results and Goals
- Monthly Phone call to RVP
- Monthly Phone Call to Managers – invitees change monthly. Discuss Best Practices
- Monthly News Letter to Stores: Best Sellers, Advertising, Best Practices
- Website on Training, Best Practices, Questions.
- Semi-Annual Survey to Stores on what they want, need, don't need, issues, competition practices
- Semi-Annual Support Group Form: Presentations by Division to Stores, Marketing, Internet, Senior Management, Sourcing etc. on the results, goals and needed support
- Quarterly Merchandise Trips to Stores in different Regions

EMPLOYEE RECOGNITION and AWARDS

- Fire Breathing Dragon
- Best Practice
- Thank You Awards
- Quarterly Division Outings

VENDOR SEMINARS

- Bring in best vendors by Category
 - Round Robin with each support group: Marketing, Logistics, Internet, Merchandising, Inventory Planning.