Merchandise Planning Perspectives: Jake Cohen

by Heather Arnold and Hala Hassoun

In this series, leaders in the retail industry share their thoughts on the challenges merchandise planners face today, and what we should be thinking about for tomorrow. Today’s perspective features Jake Cohen, who has worked in wholesale, retail and demand planning at companies such as Wet Seal, Nike and Quiksilver, Inc.

What current challenges do you see with planning in the retail industry?

Technology is a major issue. Everywhere I’ve been, Excel is used far too often and for content that goes far too in depth for its capabilities. Instead of leveraging other systems, people use Excel as a “go-to” because they already have the skill set.

Lack of collaboration is a huge pain point for many companies who have functional groups working in silos. I have seen moments where strategy changes beg for better collaboration, but often don’t lead to that. Retail and Wholesale Planning often do not talk to each other. Product Development has its own margin goals, while Retail and Demand Planning have a completely different perspective. Subsidiaries often operate completely differently than the overall company, with disjointed organizational structures making it difficult to maintain efficient communication between them.

What’s the biggest challenge you face as you try to plan across business channels, i.e. e-commerce, wholesale and retail channels, as well as the sweep of information coming from touch points across mobile channels?

I have seen e-commerce used as a dumping ground in the past, where we should have been looking at how product was being moved through the e-commerce channel statistically. I’ve seen situations where there was no strategy supporting the e-commerce channel. A successful e-commerce strategy needs a strong brand manager and dedicated teams to plan around each business channel and drive sales growth. I’ve also seen situations at wholesale-driven companies where retail was not included in the product development cycle and the rolling forecast process, causing great disconnect. As retail and e-commerce become a larger force in a wholesale company, they need to become part of the product development and rolling forecast process.

Are there vast differences in how you look at planning international markets vs. domestic?

When a company goes global, consolidating global buys in a central location can create complexity and problems on the planning side due to variations in seasonality and other global climate differences. This causes forced adoptions in many regions that aren’t necessary.

Collaboration can also be challenging when you have teams in different business units around the globe using different systems. To effectively manage a global market and gain synergies in supply chain, companies should have their strategies mapped out and their thinking aligned across functions and business units. Systems need to be integrated so that people in different offices aren’t passing around Excel spreadsheets via email, and planning and buying timelines should be synced across the organization.

What do you see as the key benefits of an integrated planning system?

There is so much data that is fed into supply planning and retail systems, and it needs to work together to enable better planning decisions and really get the pulse of the customer. An integrated planning system enables collaboration, scenario planning across functions and data manipulation. Instead of running huge formulas and pulling data from many different Excel sheets, the system could do that for the user and allow for more time to be spent on analysis and decision making.

How important is collaboration with cross-functional teams in the planning process?

Collaboration is very important for success. When different functions do not have the same views or are relying on different information, this can lead to misalignment, and in some cases, can result in different functions not trusting one another. When they don’t work together, it causes major discrepancies in the sales plan and the catalog.

Do you see predictive analytics playing an important role in forecasting today or in the future?

Having predictive analytics is important, but collaborating on strategy and looking at how accounts should be serviced should still support decisions. Sometimes it can be difficult to pull all the right data together, but bolt-on systems can be used to help with this issue.
How do you think retailers/wholesalers should be utilizing data to make better planning decisions?

Data cannot be taken at face value. Companies need to understand how the data fits into a broader strategy. Spreadsheets need to be scrutinized, the product needs to be collaborated on and financial plans need to be reviewed in detail.

I think people need to focus on analyzing the data rather than building the data. Spending money on a system will pay off as it enables more people to move into thinking jobs that can provide direct value-add to the company, such as campaigns for marketing. Product data is dynamic – channels, sales reps, accounts, product, classifications, categories, types, construction, etc. I think it is best to use people strategically to scrutinize the data instead of making them spend so much time manipulating it.

What is one major change you see in the near-future of planning in the retail arena?

Companies need to understand who their core customers are and they need to stay innovative by testing new areas of fit, fashion, technology, fabrics, etc. I think it is important to look at quicker speed-to-market flexibility that wholesalers don’t have and retailers are starting to get with online presence. To enable this flexibility, companies need better systems, streamlined supply chain timelines from purchase to market and stronger customer insights backed by data analytics. I think looking at what customers are buying now and where the trends are going is imperative.

How do you integrate the customer experience throughout all of the channels available?

Companies will be using more data analytics and customer insights to understand customer needs and drive purchases to fit that need. Companies should consider having the right systems in place to support the collection, analysis and sharing of the data across all functions and business units.

About Today's Expert

Jake Cohen most recently served as Director, Sales Planning & Analytics/Demand Planning at Quiksilver, Inc. He has worked in omni-channel demand and sales planning (including wholesale, retail, and ecom) at Quiksilver, Wet Seal, Oakley, and Nike.

Originally published on August 8th, 2016

What's your view? Add your question or comment
About the Authors

Heather Arnold
heather.arnold@kalypso.com
Heather specializes in Information Management and PLM implementation strategy for Consumer Product Goods and Retail industries.

Hala Hassoun
hala.hassoun@kalypso.com
Hala is a manager at Kalypso.