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 John Fiduccia, a consultant with over 20 years of experience in the fashion industry.

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

Many retailers still use Excel as their primary planning tool. Although some may have the vision to take their planning systems to the next level, no one knows how to do that. Internal processes and software systems need to change with the times. Getting buy-in for new processes and the underlying software solutions can be difficult because even though Excel-based processes are not as effective, people are used to them and are not always comfortable making the switch.

What’s the biggest challenge you face as you try to plan across business channels, ie. Ecom, Wholesale and Retail?

Wholesale and retail planning are still run independently and are very siloed. As a result, the inventory remains divided and the different channels do not have visibility into each other’s inventory. Often you’ll find that there is customer demand in one channel but the inventory is only available in another channel and cannot be easily transferred. Balancing supply and demand becomes more complicated than it needs to be.

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

From a system perspective, the primary difference surrounds new pricing jurisdictions and how to manage those differences in ERP, POS, and planning systems. Without reconciling different currencies across the various systems, POs can get held up and shipments delayed. From a process perspective, there is often a disconnect between the location of planning teams and the regions they are planning. For instance, U.S. planners often plan for European markets with little knowledge of those markets.

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

Creating a data warehouse for integration between systems is beneficial because it feeds all data to one central reporting portal, allowing communication between PLM, ERP, and Planning systems. System integration reduces miscommunication and helps teams plan more accurately for demand.

How do you think retailers/wholesalers should be using data to make better planning decisions?

Data organization is key. Without it, too much time is spent pulling data from various sources and creating reports manually. Once it is organized and centralized, planners can focus their time on analyzing the information. A planning solution can help make the data more accessible, but it needs to be paired with better business processes. The planning team needs to be involved in designing a new planning system to ensure that it meets their business needs and that the data is being pulled and reported in the right way.

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

Ecommerce is still maturing and evolving and many retailers still treat it as just another store. In order to move forward, Ecommerce needs to be managed as its own strategic channel. Planning data and analytics can then be utilized to make more educated decisions across channels. Metrics such as conversion rates, online cart abandonment rate, and product affinity can be leveraged to better understand customer demand. Visibility across channels will improve the customer experience by ensuring that the inventory meets the demand in every channel no matter where it is coming from.
About Today's Expert

John Fiduccia has helped build out processes and systems in Merchandising, Planning, PLM and Production for various retail companies, including Tory Burch, Coach, and J.Crew.

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What's your view? Add your question or comment
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