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 responses submitted by Jason Gmerick, Senior Merchandise Planner at Victoria’s Secret.

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

There is certainly no shortage of challenges when it comes to planning in today’s retail industry. I remember a leader addressing a group of planners and referring to them as professional guessers. While that may sound a bit like undermining the profession, on the whole I agree with the basic principle that regardless of the amount of experience or data one has, at the end of the day you truly are just guessing as to what the future will hold.

Retail planning varies greatly depending on the size of the company. Many of the challenges simply come from a lack of clearly defined goals. The larger the corporation, the easier it is to have different areas focused on different goals, increasing the need for strong leadership. One of the advantages larger corporations have is an abundance of data readily available. All this historical data, while extremely helpful, can cause planners to get lost in the minute details. It’s easy to slice data 10 different ways to get to a desired result; it’s much harder to take that result and replicate it across an entire enterprise.

What’s the biggest challenge you face as you try to plan across business channels like e-commerce, wholesale and retail?
This is where I feel younger companies have an advantage over older, more established corporations. These companies were developed and conceived in an era where online sales were just as important as brick and mortar store sales. Older companies are still playing catch up in the e-commerce and mobile realms. Often these different channels of sales are separated out between the stores channel and the e-com/mobile channel, making things like sales or inventory sharing a challenge and not as fluid as it should be.

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

International markets offer their own challenges above and beyond the normal planning process. Often times US companies export their US product, which does not always translate in all areas of the world. Beyond just cultural inconsistencies when taking a product worldwide, there are challenges as simple as the product you are currently buying (say for winter) will not translate to a part of the world (say the southern hemisphere) which would be in summer during your winter season. When going into an international market, corporations want to come out of the gates strong, and this means having plenty of inventory to support sales and potentially unplanned upside. While store openings can be difficult to nail down in the US, they become even harder keep on time in an international market. A two month delay in a store opening can mean a large back up in inventory if not planned accordingly.

**How do you think customer data could best be used to support planning?**

Customer data is at the very core of everything a planner does. Without it you are truly just guessing. You must have the right data to being able to draw strong conclusions without getting lost in the details.

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

Most systems I've seen have been more of an entry system; simply putting the plans in to roll up reports at a higher level. Most work still happens outside these systems and for the most part in Excel. An integrated system that is connected to historical data and future plans and has access to the overall supply chain would be a huge win for any planner. For the most part, the planner talks with allocation, production, and merchandising, gathering data from all before establishing their plans. A planning system that stores real-time data from all parts of the business in one place for everyone to access would improve efficiency and reduce the amount of company spin.

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

Earlier I mentioned the different teams the planner works with (allocation, merchandising, production, supply chain). Without input from all of these teams, the planner would be on an island. Working hand in hand with these teams are at the very core of the planner’s job responsibilities. However, while it is imperative to have close relationships with these cross functional teams, some of the biggest challenges arise when teams are not aligned on the overall company priorities.

**How do you think retailers/wholesalers should use data to make better planning decisions?**
Due to the large amount of data readily available to larger retailers today, many can cut the data in different ways to support whatever preconceived conclusion they may have. I think it’s important for retailers to establish what metrics and goal are important up front, and then stay consistent in the way data is used and read to come to conclusions regarding their business.

**What is one major change that you see in the near future of planning in retail?**

I think the rise of mega online retailers like eBay and Amazon has changed the playing field for established brick and mortar retailers. The sooner those retailers are able to integrate and more omni channel presence in their stores (stores/e-com/mobile) the better equipped they will be to compete in modern retail.

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**About Today's Expert**

**Jason Gmerick** has over 10 years of experience in merchandise planning and allocation in the specialty retail industry. He has held positions within MP&A at Abercrombie & Fitch, Hollister Co., La Senza International and Victoria's Secret.

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