



A.M.P.A.

Association For Merchandise Planning and Allocation

Retail Systems 98 Conference - New Orleans

The latest A.M.P.A. meeting was held on Tuesday, June 16, 1998 at the Retail Systems 98 Conference. There were 44 people present. In addition to our A.M.P.A. discussion topics, four planning system vendors gave presentations of their offering in a case study situation (JDA-Comshare, IBM, Forseon and MMS). The topics discussed and conclusions are summarized below along with some new ideas:

Major Discussion Topics:

- **Future Meetings Dates and Format**
- **Merchandise Planning Forum**
- **Future Surveys**
- **A.M.P.A. Website**
- **Merchandise Planning Course**
- **Working with RSA**
- **Sponsorship**
- **New Expanded Directory**
- **Technical Discussion - Vendor Presentations**

Major Conclusions and Direction:

The major meeting results and future direction were as follows:

- **Future Meetings Dates and Format:** It was decided that the yearly June Retail Systems trade show should be the location of the main annual A.M.P.A. meeting. The annual meeting format will continue to feature a guest speaker(s) discussing a relevant topic. For next year we will arrange for an invited speaker. This meeting will include an A.M.P.A. luncheon in the future. The January meeting held at the same time as the annual NRF trade show will be a minor meeting. Discussion will be around a set topic or topics. Our January 1999 meeting will be Tuesday afternoon during the NRF Trade Show. For January 1999 we will send out a list of potential topics and collect member responses to determine the final discussion topic.

- **Merchandise Planning Forum:** We will continue to hold a Merchandise Planning Forum as part of Retail Systems Alert's website, Retail Info Systems (retailsystems.com). A live interactive discussion forum will be held one Friday each month built around a particular theme. The forum can be accessed by www.retailsystems.com or www.rs-s.com. The next several live forums will be as follows:
 - July 24th - "Assortment Planning - Where are We - Where are We Going?"
 - Aug. 21st - "Training - What are We Doing - What Should We Do"
 - Sept. 25th - "The Planning Organization - How Should We Structure Ourselves for Planning"

- **Future Surveys:** It was decided to continue the information development and communication through surveys. The next survey will focus on planning systems being utilized by A.M.P.A. companies. RS&S will work with several members to develop a systems survey.

- **A.M.P.A. Website:** The A.M.P.A. website will continue to provide announcements, results of meetings, surveys, vendor presentations and other items of interest for A.M.P.A. members. We are in the process of re-designing the site for easier access, navigation and efficiency. The A.M.P.A. website can be reached via www.rs-s.com/ampa.

- **Merchandise Planning Course:** It was decided to develop a Merchandise Planning course to standardize the knowledge base of a "planner". This would provide A.M.P.A. accreditation for a Merchandise Planner. RS&S will provide an initial outline for the course based on its seminar program. Member suggestions will then be gathered to enhance the outline. We will then work on the actual development of the course material.

- **Working with RSA:** A.M.P.A. will continue to work with RSA to promote the organization, provide the Merchandise Planning Forum, sponsor the annual meeting and provide overall support.

- **Sponsorship:** A.M.P.A. has grown and our plans for the future require financial support. Terry Donofrio and Gene Eckles will be

working on the development of a sponsorship program to help support the A.M.P.A. organization.

- **New Expanded Directory:** A new Membership Directory is being prepared with several new areas and an updated membership list. This directory should be ready in September.
- **Technical Discussions:** Vendor presentations were given by four planning system vendors focusing on their product in a case study/implementation situation. The four systems included ARTHUR (JDA-Comshare), Makoro (IBM), Forseer (Forseon), and MMS Open (MMS). Information about the vendor presentations is provided via the detailed meeting notes or the PowerPoint presentation download (see below).

Additional New Ideas

- **A.M.P.A. Members Corner:** A monthly feature on the website for members to submit short articles on a topic of interest related to Merchandise Planning & Allocation.
- **Member to Member Q & A:** A website message board for members to pose industry questions/problems and have other members reply.
- **A.M.P.A. Bulletin:** A bi-annual bulletin to be mailed to all members. It would contain articles by members, new vendor products etc.



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Technical Discussion/Presentations - 6/16/98

Recorded by Karen Montgomery

Meeting began at 1:30 p.m.

Terry kicked off the meeting with opening remarks and introductions.

- Discussed the information in the packet given out for pre-registered members
- Discussed AMPA membership list and how to become a member
- Discussed Merchandise Planning On-Line Forum
- Discussed AMPA Website
- The AMPA meeting should become an annual meeting at Retail Systems Conference
- The AMPA group targets to have "registered" courses - courses for Planners and Allocaters
- Cost of AMPA - Nothing is for free, however Terry & Gene will try to develop a sponsorship program

IBM (Makoro) - Presentation 1 (Side note: IBM will provide Presentation)



Note: Adobe Acrobat Reader (Free) is required to view PDF documents



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John Ehmann presented a "Makoro Case Study"

John presented his background which included extensive retail planning background

Presentation included:

- "Company view to Store SKU planning system" - main focus is scalability

- 16 installs worldwide and 5 in the U.S.

Case Study Group: International Retailer - Evaluated Comshare ARTHUR to Makoro - Chose Makoro in 1995

- Planning environment and business goals were diagramed out
- Would like to get to Assortment Planning

Implementation process discussed

- Key to define process
- Need to focus on the change process (key to implementation)
- Pilot/prototype

Results from the implementation:

- Stock turns increased
- Overall stock reduction
- Reduces stock outs
- Gross margin increased
- Markdowns increased
- 25% more available OTB (open-to-buy)

IBM provided for the implementation:

- Realistic timeframe
- Resource skill set
- The ability to move to Makoro for Merchandise Allocation
- Product helped with additional performance (weekly plan updates)

Lessons learned from the implementation:

- Define and document your process
- Keep it simple to start
- Secure Senior Exec ownership
- Define a clear role for Project Manager
- Resource starting with right skills and time commitments
- Plan for training early and often
- Account for impact on organization
- Communicate often throughout the project with the organization
- Manage expectations - not all packages do all things

Makoro Development:

- Makoro Workbench - Planning, Allocation, Replenishment, Price and Profit Analysis
- Makoro for Merchandise Allocation
- Makoro MP v 3.2

Q&A:

Store Planning question - How to take Merchandise Plans down to Store Plans?

- Get your products plans to a meaningful level
- 2 dimensional store plan & grading - volume grade
- Merge Store Plan to Product Plan
- How many variables does a Store Plan need to be meaningful?
- Not one process for everyone
- Need to understand your business objectives

How long to implement?

- "It depends"
- Usual 6 months for pilot at a simple level

Plans to feed Inforem?

- Could be feeding information both ways - set models/feeding forecast

What platforms does it run on?

- UNIX
 - AIX
 - HP
- DB
 - Informix
 - Oracle
 - DB/7

[Forseon \(Forseer\) - Presentation 2](#)



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Jim Dixon, Senior V.P.

Forseon Corp

- Founded 1955 (Different Name)
- 200 associates
- Offices nationwide
- ESOP company
- 1st MP forecast system in 1971
- Licensed to Sears Roebuck in 1987
- 1996 - Forseon Business Unit - C/S system (Forseer Software System)

Forseon Process:



Vision at the process - want to focus on inventory management

- Forecast drives the financial plan and merchandise plan
- Building plan structure quickly - for merchant instead at IS intervention

Case Study

- Designs, Inc. company
- 300+ stores
- Mainly men's/women's apparel
- Beta implementation with Forseer
- JDA on AS 400
- Company used to use spreadsheets, no planning organization,

- little integration
- Built planning organization
- Hired VP of P & A
- Objective to build a best of class process
- Installed Forseer Software Systems - July 1997
 - DB System Server Side
 - Client PCs
- Typical Implementation process, however Forseer needs to build the forecasting engine definition
- Running MS SQL Server 6.0 and running Windows 95 (32 bit)
- Loaded 24 months of history
- Forecasting uses patterns if no history exists for new items/styles

Challenges:

- Cultural
- Process
- System integration
- Merchandise hierarchy
- Learning curve

Learning's:

- Embraced the forecasting process slowly - could not let go
- Easy to pick up system

Successes:

- Quick plan creation & revision
- Better plan accuracy
- Included plan approval process

Forseer News:

- Announced Oracle support, soon DB2
- Exciting customer announcements

Q&A:

After initial offsite, can you change your setup?

- Yes, provided to customer

IS or user?

- Power user/System Administration - usually business person

Forecast to create plan?

- Forecast can be used to create the plan

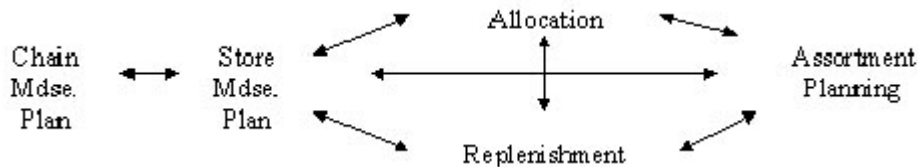
MMS - (MMS Open) - Presentation 3

Chuck Miller gave presentation

MMS is owned by STS (MMS is a small company)

Reviewed client list

MMS Process:



Planning - Difficult install because of philosophical issues, cultural issues & tough process

Case Study:

- Shopko
 - Mass merchant
 - 150 stores
 - MMS Legacy client
 - Beta site

So - What do you want to do? Client needs to define the planning process and what they want to do and how they want to do it

Table definition provided for elements, calculations, tree structure, time definition, store attributes

ShopKo example è 3 planning groups: 1) \$ plans only (Financial)

2) \$ & unit plans for replenishment

3) Buyer plan for unit Ladder plans

- 12000 "plan levels" - "sub-category"
- 500 planning elements (40 planning elements)
- Planning by store group, target individual plans by store for 7/98
- Store sales forecasting rules

Key Successes (according to ShopKo):

- Upper & lower levels
- Training easier (could be ShopKo process)
- "Great" response time

Key Problems:

- Beta issue
 - time
 - problem resolution

MMS Soon:

- C/S - 3 tier - Planning
 - Using DB
 - NT/Unix
 - Oracle & Sybase - Soon B/2
 - C++ middle layer
 - scalable

Future Direction:

- C/S Allocation (Assortment Planning)
- Integrating into STS Open Integration
- Replenishment/Allocation Information

Q&A:

Assortment Planning - S99 - part of planning & hook into Allocation

Who does Assortment Planning?

- Both the Planner & the Buyer

MarketMax (Space planning system) How does it mesh with planning

system?

- Change the visual view of the store & integrate into the planning system - concept - not implemented

JDA ARTHUR Comshare - Presentation 4

Lorraine White presented

Now called "JDA ARTHUR"

Discussed company background at JDA & ARTHUR

Reviewed the ARTHUR Enterprise Suite

- Planning
- Allocation
- Assortment Planning
- Analysis
- Help Line Support
- Training
- Services
- Best Practices

Case Study

- REI (since 1938)
 - 53 stores +
 - West coast based
 - Seattle HQ
 - Branded merchandise
 - Varied mix - clothes, bikes, shoes

REI Challenges:

- Linking system integration's
- Y2K
- Time vs. detail
- Role of Product Mgr (Buyer & Planner in one)
- Lack of assortment & store planning

Reviewed strategic merchandise management process

- Refer to JDA ARTHUR PowerPoint for diagram

REI Technical Environment:

- JDA
- E3
- AIM DB with Assortment Planning
- Win 95

REI Project Goals:

- Plan at lower levels
- Plan at width & Depth targets
- Opt store groups
- Improve forecast accuracy
 - Link to E3
 - Calc methods

REI Issues:

- Lack of data & cleanliness of data
- Cultural shift
- Resource issues - planning & IT
- Hierarchy - both mdse & store - needed to be thought through

REI Successes:

- Involvement of users - commitment
- Communication
- Project planning - on time implementation for Enterprise Suite - detail plans by section & overall project

REI Next Steps:

- AIM & Perf Analysis
- Roll out assortment planning then planning on AIM

Next Steps for JDA ARTHUR:

- Integrate to JDA
- Continue to be stand alone comp
- Assortment Planning out by Oct 98

Q&A:

JDA & ARTHUR overlap - What is it?

- Lorraine does not know right now

How long has REI been implementing? Add planners?

- Probably a total of 18 months
- Yes, added 1 or 2 - added more focus on planning

E3 Integration?

- Meeting with E3, however no formal integration
- Moving model store information
- Nothing stopping integration technically

Discussion after Vendor Presentations:

- Would like to see retailer & the vendor together presenting
- Calling Retail Systems Trade Show the annual meeting
- Would like to have the client results one year later if possible - e.g. REI with Assortment Planning
- Would like a retailer to make a presentation
- Lose people trickling out throughout the whole meeting
 - Suggestion - maybe 2 hour meeting because lose people
- Discuss issues that you are overcoming - presented by retailers "Problems & Solutions" with systems/Store Planning implementations
- Have working sessions/breakout sessions
- Special interest topics - how vendor would handle problems & solutions - many panel
- Cultural change - topic
- Suggested APICS - great organization - look at their website for format suggestions
- AMPA has met about 6 times so far either at Retail Systems, NRF or RISCO (Retail Systems ranked 1st)
- Would like to discuss "where retailer is" and what they are looking for
- Add "open forum time" & allow groups to split off and discuss the issues
- Have certain topics discussed & then review open topics - to discuss things that other retailers have done
- Retail Systems supports AMPA - would be the primary vehicle of

- discussion - Annual AMPA meeting & maybe luncheon
- Satellite meeting in January to keep group going
 - Group should send topics to Terry Donofrio or Regina Beischer about next year's meeting
 - Question of what should the survey be?
 - Systems, Organization, Process, Methods (units & \$) etc...to have a survey - one page by survey
 - Add "systems" by the survey 1st to send out to everyone - add contacts to the survey

Action Items:

- Send out letter of "What do you want to discuss at the next meeting"
- Send out survey of "Who uses what systems"
- Get PowerPoint presentation for each vendor