



A.M.P.A.

Association For Merchandise Planning and Allocation

August 5, 2002

To: All AMPA Members

Subject: Annual Meeting and Luncheon Highlights/AMPA Update

On June 25th the AMPA Annual Meeting and Luncheon was held at Retail Systems 2002 in Chicago. This document summarizes our annual meeting and luncheon activities, the new programs/activities suggested and the status of on-going AMPA programs.

Highlights

The following highlights key points from the luncheon and meeting. Details are provided in the balance of this document.

- **Annual Luncheon:** Thirty four people attended the AMPA Annual Luncheon including Peggy Rowland and Eric Olson from MoonWatch Media, two from RS&S including the AMPA Executive Director, and ten participants from seven sponsor companies. Twenty retail AMPA members were present representing 10 companies.
- **Sponsor Presentations:** Seven sponsor representatives from Retek, Planalytics, Spotlight Solutions, STS, Marketmax and JDA Software and ProfitLogic each gave a 10-15 minute talk on an assigned topic with questions at end (see attached).
- **Retailer Presentations:** Jim Oien, VP Distribution & Allocation Planning (Limited Logistic Services), and Frank Zarrello, VP of Planning & Allocation (Big M, Inc.) provided talks on how their companies are approaching some key aspects of planning and the need for markdown optimization.
- **Group Discussion:** The group was led by Terry Donofrio the Executive Director, in discussing their approach to Merchandise Planning, Store Planning, Store Clustering, Assortment Planning, Space Planning and Allocation.

Note: At future AMPA luncheons it is very important that all members who register to attend the luncheon show up at the luncheon or cancel via phone or email no later than four days prior to event. AMPA is responsible for payment of all food and beverages contracted for regardless of the final number of attendees.

It is also important that attendees stay for the luncheon speaker(s). The sponsors and speakers support AMPA both financially and with their time and preparation. Attending lunch and leaving before the luncheon talks/presentations does a disservice to the AMPA Organization and our sponsors.

- **Business Meeting/New Programs:** Terry Donofrio (Executive Director), Frank Zarrello (Executive Committee), Jim Oien (Executive Committee), and John O'Leary (AMPA Support Team) held a business meeting right before the luncheon. The key points discussed were as follows:

AMPA June 25, 2002 Meeting Highlights

- ♦ Focus on ways to increase AMPA member participation through survey of members on the value of various aspects of AMPA e.g. why don't we have more participation? Also survey members who attended the annual meeting for their comments. Contact the VP's and Directors of Planning on the AMPA member list to get them involved.
- ♦ A new format was discussed for the Merchandise Planning on-line Forum to improve participation.
- ♦ Development of job posting board on AMPA web-site or Merchandise Planning Community Center web-site (retailsystems.com). Executive Committee will research and submit proposal.
- ♦ The AMPA Planning Survey will be combined with the new MoonWatch Media on-line survey for AMPA and non-AMPA members.
- ♦ Next year's AMPA annual meeting and luncheon at Retail Systems 2003 will be an all day event with two one hour retailer presentations (similar to the Merchandise Planning Symposium).

Further details are provided in the balance of this document.

Annual Meeting/Luncheon

1. Annual Luncheon: Attendance/Speakers

- 34 people attended the AMPA Luncheon including 20 retail members, 4 support staff and 10 vendors/sponsors.
- 4 retailers and 3 sponsors (2nd invited guest) registered but did not attend.

2. Annual Luncheon: Presentations and Roundtable

- After lunch seven sponsor representatives each gave a 10-15 minute presentation on a pre-assigned topic. The sponsor representatives are listed below:
 - ♦ **Scott Welty**, Director of Planning & Allocation Solutions, JDA Software Group
 - Store Planning/Store Clustering/Segmentation
 - ♦ **Ken Brame**, Chief Technology Officer, Marketmax
 - Store Planning & Assortment Planning Integration
 - ♦ **Scott Bernhardt**, Senior Vice President, Planalytics
 - Assortment Planning
 - ♦ **Kate Gorman**, VP of Advanced Retail Planning & Optimization, Retek
 - Demand Forecasting & Integration with Planning
 - ♦ **Garrett Sinclair**, VP of Strategy, Spotlight Solutions
 - Pricing/Margin/Revenue Optimization
 - ♦ **Chuck Miller**, SVP Planning & Allocation Solutions, STS, an NSB Company
 - Store Planning/Store Clustering/Segmentation
 - ♦ **Cate Adler**, Business Development, ProfitLogic
 - Pricing/Margin/Revenue Optimization

AMPA June 25, 2002 Meeting Highlights

- Following the sponsor presentations 2 retailer representatives each gave a talk on how their companies are approaching some key aspects of planning and the need for markdown optimization. The retail representatives are listed below:
 - ♦ **Jim Oien**, VP Distribution & Allocation Planning, Limited Logistic Services
 - Limited Logistic Services Approach to Key Aspects of Planning
 - ♦ **Frank Zarrello**, VP of Planning & Allocation, Big M, Inc.
 - Big M, Inc.'s Need for Markdown Optimization
- The final group discussion had retailers from The Limited, Sears, Big M, Federated and Hot Topic relate how their companies (or member Divisions) are considering Merchandise Planning, Store Planning, Store Clustering, Assortment Planning, Space Planning and Allocation. Each AMPA member provided a synopsis of their companies present and future approach to these planning areas.

3. Business Meeting/New Programs/Activities Suggested

The Business Meeting was replaced by an Executive Committee Meeting prior to luncheon. The topics discussed are considered below.

Role of Executive Committee/Executive Committee Members

The role of the Executive Committee in administering AMPA and providing support in considering various association issues was discussed. It is important that AMPA have an active Executive Committee that can respond to and offer feedback on AMPA issues. To that end it was determined that since the Executive Committee has not been able to get in touch with Robin Gray, his seat on the committee would be filled by Susan Gallego, VP Planning & Allocation from Factory 2-U Stores. It was also determined that an additional seat on the committee was needed (preferably a non-Arthur user). Interested members should contact Regina Beischer or any Executive Committee member.

- The AMPA Executive Committee therefore includes:
 - ♦ Terry Donofrio, President; Retail Systems & Services (Executive Director)
 - ♦ Frank Zarrello, Director of Planning & Allocation; Big M, Inc.
 - ♦ Jim Oien, VP Distribution & Allocation Planning, Limited Logistic Services
 - ♦ Bruce Aitken, Director of Merchandise Planning; Danier Leather, Inc.
 - ♦ Susan Gallego, VP Planning & Allocation, Factory 2-U Stores
- The AMPA coordinator is Regina Beischer, Retail Systems & Services

The Executive Committee will continue to establish policy, make decisions, hold quarterly telephone meetings and meet prior to the general AMPA sessions to conduct business meetings.

Future Telephone Meetings

- New idea for meetings other than Annual Meeting
 - ♦ Quarterly or semi-annually
 - ♦ Have telephone/conference call meeting
 - Pre-set agenda

AMPA June 25, 2002 Meeting Highlights

- Members indicate desire to “attend”
- Use format of SIG (Special Interest Group) conference call meetings
- Jim Oien will coordinate

Future Annual Meetings/Luncheons

It was decided that based on the success of this years program, we should continue the program with vendor presentations and the roundtable discussion and expand the meeting to an all day event. The following ideas were discussed:

- The meeting/luncheon would be an all day event: 10 a.m. - 4:00 p.m.
- Retailer Presentations: 2 retailers prepare presentations based on pre-determined topic (similar to the Merchandise Planning Symposium). Terry Donofrio will secure 2 additional speakers when developing the Merchandise Planning Symposium program.
- Sponsor Input: Each sponsor gives 5-10 minute overview on what's new with their company, products, and other relevant ideas or issues.
- Forum Review: Report on Forum topics or survey - discussion.

Membership/New Members

It was suggested that we need to focus on ways to increase current member participation as well as promote the association to draw new members. The following ideas were suggested:

- Survey the membership on the value of various aspects of AMPA e.g. why don't they participate?
 - ◊ Survey form will be prepared and sent out.
- Survey members who attended the annual meeting for their comments
 - ◊ Survey to attendees will be prepared and sent out.
- In order to increase new membership we should continue activities as follows:
 - ◊ Provide a list of sponsor clients for AMPA.
 - ◊ Provide AMPA promotional flyers to sponsors to send to their clients.
 - ◊ Establish links between vendor (sponsor) web-sites and the AMPA web-site.
- New member drives by MPCC, the AMPA booth at Retail Systems Conferences and current members would also continue.

4. Status of AMPA Programs

The key ideas, AMPA programs and activities discussed include:

AMPA Status

- We have 209 members/118 companies.
- The organization continues its steady growth through contacts at seminars, trade shows, mailings and sponsor programs.
- Completed “Background Surveys” and “Planning System Surveys” are membership requirements.

AMPA June 25, 2002 Meeting Highlights

AMPA On-Line

- The AMPA web-site is updated continually and functions as follows:
 - ♦ Is a dedicated resource for solutions, support and professional networking.
 - ♦ Provides AMPA information on forum access and session transcripts, online directory, MPCC, upcoming events and programs.
 - ♦ Provides meeting archives which contain past meeting summaries and speaker presentations.
 - ♦ Provides status updates.
 - ♦ Provides PDF capability for downloading presentations and corporate member directory.
 - ♦ Provides links to updated technology through vendors and sponsors.
 - ♦ Ideas and comments are welcome on how we can make the web-site more useful to the membership.

The following additional information will be available on-line soon:

- Job Posting Board on AMPA web-site or MPCC web-site with seamless entry from AMPA.
 - ♦ Criteria for Search Firm posting needs to be determined.
 - ♦ Posting fees need to be determined (e.g. per person? per month?).
 - ♦ Possible fees if a search is successful for search firm.
 - ♦ Criteria for individuals to post information (fee, requirements).
 - ♦ Bruce Aitken will develop a proposal and propose answers to questions. John O'Leary is researching information on fees.

Merchandise Planning Community Center (MPCC)

- MPCC is supported through an alliance between AMPA and MoonWatch Media.
- A Merchandise Planning and Allocation online Forum is held one Friday each month; session transcripts are available through MPCC.
- A secure AMPA online member directory is maintained. A password is needed for access.
- A Merchandise Planning & Allocation bulletin board is now maintained as part of MPCC.
- Ideas and comments are welcome to improve the MPCC.

Merchandise Planning and Allocation Forum

- A new format was discussed for the Forum to improve participation. This new format includes:
 - ♦ Questions to retailers/experts come in and get answered for Forum (e.g. Planning & Allocation Organization)

AMPA June 25, 2002 Meeting Highlights

- Responses from a designated “Panel of Experts”
- Various retailers also provide comments
- Tabulate comments
- Publish the results before the forum
- ♦ Present and discuss comments at Forum
- ♦ New Forum Schedule - every other month to allow time to collect and tabulate information - will begin in September
- ♦ Reminders are sent by email each month.
- ♦ Upcoming Forum schedule/topics are available in the Support Material section of this document (page 11).

On-Line Directory

- The Online AMPA Directory available on MPCC is password controlled. Contact Regina Beischer for password and ID.
- The Online Directory will be updated shortly. Please contact Regina Beischer with any changes to your directory entry.
- The password may be changed periodically for security.
- Ideas and comments for directory content are welcome.

Hard Copy Directory

- The annual AMPA Corporate Directory: A Guide to Members & Companies is being prepared.
- The directory will be available to all current AMPA members in PDF format. There will not be a mailing just the electronic format.
- Please contact Regina Beischer with any additions or changes to your member status that will be included in the directory.
- Ideas and comments are needed to make the directory more useful to membership.

Sponsorship/Budget/Finances

- The Sponsorship Program developed by MoonWatch Media for AMPA/MPCC continues to support the association. Two new sponsors have signed on this year.
- To date AMPA has secured 9 sponsors for 2002. They are:
 - ♦ ANT USA (Supporting Level - Modified)
 - ♦ JDA Software Group (Contributing Level)
 - ♦ Maple Lake (Supporting Level)
 - ♦ Marketmax (Supporting Level)
 - ♦ Planalytics (Contributing Level)
 - ♦ ProfitLogic (Contributing Level)
 - ♦ Retek (Premier Level)

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- ♦ Spotlight Solutions (Supporting Level)
- ♦ STS Systems (Supporting Level)
- Finances
 - ♦ From 1995 to 1998 \$14,227.18 was spent on AMPA - funded by RS&S (prior to sponsorship).
 - ♦ In 1999 sponsorship covered expenses (AMPA expenses - \$8230.01 vs. Sponsorship income -\$8850.00) however there were not any AMPA support activities performed.
 - ♦ In 2000 expenses exceeded sponsorship by \$9677.64 (expenses - \$16,502.64 vs. sponsorship income of \$8825.00). RS&S supported this shortfall.
 - ♦ In 2002 sponsorship income covered AMPA expenses (AMPA Expenses - \$18,764.14 vs. Sponsor Income - \$20,700.00)
 - ♦ ***Prior to 2002 (1995-2001) RS&S has contributed \$21,346.14 to fund AMPA.***
 - ♦ An on-going AMPA budget has been developed to facilitate necessary operating expenses and organization growth. This budget must be the basis for the AMPA sponsorship funds moving forward. Hopefully, sponsorship funds will more than cover all expenses and reduce our deficit.

Planning System Survey

- The Planning System survey will be combined with the new MWM on-line survey for AMPA and non-AMPA members.
- MWM has agreed to maintain the survey and process the results (tabulation).
- AMPA (Regina Beischer) will format and produce the final report
- The existing surveys will be entered into the on-line system.

On-Going/Future Activities

- Defined Roles and Responsibilities for Executive Committee and running AMPA.
- Move AMPA from an informal association to a formal trade association. Considerations would include:
 - ♦ Legal name and logo
 - ♦ Incorporation or other legal status
 - ♦ Setting up a structure to do business (receive money, make disbursement, have bank accounts, etc.)
 - ♦ Establish a Board of Directors and Officers
 - ♦ Develop By-Laws
 - ♦ Establish legal and financial guidelines
- Develop future surveys to gather a set of standard information about membership.
 - ♦ Salary Survey
 - ♦ Planning Organization Survey
- Develop Planning Courses to build a base of knowledge and communication about

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Merchandise Planning and Allocation

- Encourage continuous communication between Executive Committee, Industry Advisors, Support Team, Membership, MPCC and Sponsors
- Provide new and updated vendor system information.
- Ideas and comments about future AMPA activities are welcome.

As we continue working together with the Executive Committee, AMPA Industry Advisors, Members and the MPCC, we will consider many of the activities discussed in this meeting update. In order to expand our scope of activities and get started on our new ideas, member involvement is essential. If you have any ideas or suggestions regarding this update, the next AMPA meeting, or AMPA in general please contact Regina Beischer or myself. We encourage all members to become actively involved and welcome your feedback. Your participation will enable AMPA to continue to grow and become a first rate organization.

Thank you.

Terry J. Donofrio

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cc: Frank Zarrello, Big M, Inc.; AMPA Executive Committee
Jim Oien, Limited Logistics Services; AMPA Executive Committee
Bruce Aitken, Danier Leather; AMPA Executive Committee
Sue Gallego, Factory 2-U Stores, Inc.; AMPA Executive Committee

Support Material (Pages 9-12):

- Attendees at June 25, 2002 AMPA Annual Meeting & Luncheon
- Merchandise Planning Forum Schedule
- AMPA Information Page

AMPA: June 25, 2002 Session Attendees

Name	Company	Title
Retailers		
Frank Zarrello *	Big M, Inc.	Dir Planning & Allocation
Jim Oien *	Limited Logistics Services	VP Distrib & Alloc Planning
Katy Keane	Limited Logistics Services	Director, Distrib & Alloc Planning
Scott Nishizaki	Limited Logistics Services	Application Consultant
Sue Gallego *	Factory 2-U Stores Inc.	VP Planning & Allocation
Doug Tulloch	Sear Roebuck & Co	Business Analyst
Ronald Morse	Sears Roebuck & Co	Mdse Plan Systems Manager
Lisa Penn	Federated Merch Group	Project Mgr Business Devel
Jeff Allison	JC Penney Company	SVP Director of Planning & Alloc
Michael Jones	JC Penney Company	Dir Sys, Programming & Infrastructure
James McDowell	Spencer Gifts	Manager Merchandise Planning
Glen Chabotar	Spencer Gifts	Dir Internal Auditing/Special Projects
Alain Krakirian	Hot Topic, Inc	VP Planning & Allocation
Chris Bennett	Hot Topic, Inc	Merchandise Systems Administrator
Daemon Heydon	Hot Topic, Inc	IT Project Manager
Jerry Cook	Hot Topic, Inc	COO
Preston Hall	Hot Topic, Inc	Director IT Applications
Dianne Maddeaux	Winners Merchants Inc.	AVP Mdse Planning & Allocation
Sandy Whitham	Winners Merchants Inc.	AVP Mdse Planning & Allocation
William Lee	Bachrach Clothing Inc.	Director Planning & Allocation
Ralph Brasche	PLEJ's	Manger Info Systems
AMPA Support		
Terry Donofrio *	RS&S	President
John O'Leary >	RS&S	Senior Consultant
Peggy Rowland >	MoonWatch Media	Operations Manager
Eric Olson >	MoonWatch Media	Internet Services Manager
Sponsors		
Scott Bernhardt +	Planalytics	Senior Vice President
Scott Welty +	JDA Software Group	Dir Plan & Alloc Solutions
Christine Girodroux +	JDA Software Group	Sr Dir of Product Development
Ken Brame +	MarketMax	Chief Technology Officer
Cate Adler +	ProfitLogic	Business Development
Christina Van Houten	ProfitLogic	
Kate Gorman +	Retek	VP Advanced Retail Plan & Optimization
Garrett Sinclair +	Spotlight Solutions	VP of Strategy
David Henning +	STS, an NSB Company	Market Manager
Chuck Miller +	STS, an NSB Company	SVP Planning & Allocation Solutions

AMPA: June 25, 2002 Session Attendees

+ Invited Sponsor / * Executive Committee / AMPA Industry Advisor/Support Team >

- Of the 41 people who pre-registered, 7 did not show up
- 4 Retailers and 3 Sponsors did NOT attend
- 1 Retailer pre-registered and did NOT show up for the second year in a row
- 10 people from 7 AMPA sponsors attended the luncheon
 - 2 JDA Software Group
 - 1 Marketmax
 - 1 Planalytics
 - 2 ProfitLogic
 - 1 Retek
 - 1 Spotlight Solutions
 - 2 STS Systems
- 22 retailers from 10 companies did attend
 - 1 Bachrach Clothing
 - 1 Big M, Inc.
 - 1 Factory 2-U Stores
 - 2 Family Dollar Stores
 - 1 Federated Merchandising Group
 - 5 Hot Topic, Inc.
 - 3 Limited Logistics Services
 - 2 JC Penney
 - 2 Sears Roebuck & Co
 - 2 Spencer Gifts
 - 2 Winners Merchants Inc.

Merchandise Planning Forum Schedule

Merchandise Planning Forum Schedule for 2002

Date	Topic
Aug 16 th -	“Forecasting and Optimization in Planning & Allocation”
Sept 20 th -	“Integrating Weather Forecasting with Planning and Allocation”
Oct 18 th -	“Assortment Planning Techniques and Systems”
Nov 22 nd -	“Planning and Allocation Systems - the Users View”
Dec 20 th -	“Real Benefits from Planning and Allocation”

Access the forum at www.retailsystems.com or www.rs-s.com. All sessions begin at 2:00 p.m. EST unless otherwise noted. Transcripts of all forum sessions are available through the MPCC website.

AMPA Information Page

1. AMPA Web-site

<http://www.rs-s.com/ampa>

2. MoonWatch Media Web-site

<http://www.retailsystems.com>

3. AMPA Coordinator:

Regina Beischer

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4. RS&S Support

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Bruce Aitken

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Fax: 416-762-3075

e-mail: brucea@danier.com

6. Forum Access

<http://www.retailsystems.com> or

<http://www.rs-s.com>

7. AMPA Directory On-Line

<http://www.retailsystems.com/MPCC>

Contact Regina Beischer for ID and Password

8. MPCC Contact:

Peggy Rowland

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Fax: 617-527-8102

e-mail: prowland@moonwatchmedia.com