

Success Story – Quick Response BI Dashboard for Major Retail Chain in Southern California

The Client

A retail chain with approximately 350 stores in California and 24 other states hired Aviana to create an effective “Quick Response” solution to address their inventory management problem.

The chain’s unique selling proposition focuses on offering low prices to their customers by having smaller and plainer stores, using plainer packaging, carrying a smaller variety of products and getting faster turnaround on products they did carry. This enables the purchase of larger quantities of perishable items closer to the expiration date at better prices, knowing that they can be sold within shelf-life parameters.

The Client’s Business Problem

The retail chain in question did not have the timely ability to accurately identify which products needed to be ordered when, and also how frequently their buyers should account for seasonal demand variations. Consequently, they were incurring additional expenses and frequent out-of-stock situations that were negatively impacting their profitability.

Aviana’s Solution to Fix the Problem

Aviana created an inventory tracking Quick Response Dashboard that gave them, among a number of other features, the ability to perform trend analysis on vendor delivery schedules, the ability to identify product movement between Warehouses and between Warehouses and Stores and the ability to capture POS operations effectively and meaningfully. This resulted in getting their ordering cycles and inventory carrying costs to significantly better levels, with a much more granular level of control.

Metrics such as products that did not meet the target Fill Rate and Gross Profit requirements were now available for scrutiny and action at a moment’s notice facilitating quick and accurate decision making. The client was now able to get an overview of operational metrics across warehouses and product lines nationally.

Aviana created this solution by first determining the strategic and operational needs of the key business users mainly the Buyers and the Category leaders in the organization and what was required by them to make decisions more effectively and quickly. While gathering the strategic long term requirements, Aviana also analyzed the information they needed to improve their decision making.

As part of the Solution a reporting database was built encompassing Sales, Inventory, and Warehouse subject areas. The solution also included an enterprise reporting solution that used the reporting database as a main source of information

Tangible Benefits to the Client

The client's Buyers, Category Leaders and Executives were now able to respond quickly to changing market situations on several fronts:

- Financial Performance: To monitor Gross Profit, Fill Rates for various Products – at Department, Sub-Department and Product/ SKU level.
- Inventory Planning: Track and monitor movement of goods between Warehouses to Stores and vice versa.
- Revenue Management: Predict in time when a particular product may become unavailable (or go into **Temporarily Out Of Stock** status) at warehouses so as to avoid loss of revenue due to unavailability of goods.
- Expense Reporting & Monitoring: Calculations such as CRV and Shipping Charges were pre-calculated in the reporting database to avoid individual interpretation of buyers as to how these charges are to be applied for arriving at gross profit numbers.