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Intrinsic Designs Promotional Management Solution for Catalog Retailer

Our client found that problems managing their promotional programs in the merchandising and replenishment process hindered their ability to fulfill customer demand for promotional events and new catalog drops. The client also experienced situations of overstock on some promotional items, resulting in excessive carrying costs and markdowns. Out-of-stocks on some promotional items forced cross-ships from other locations in the distribution network, which caused incremental cost of fulfillment; and further out-of-stocks in the secondary locations. Intrinsic designed a solution that:

- ◆ Defined a single promotional planning process across multiple business units
- ◆ Improved the prediction of an event's impact on demand by location
- ◆ Designed a single, easy to use technology solution to support workflow
- ◆ Improved promotional effectiveness and inventory levels.

The client's goal was to assure more effective inventory support of promotional and event demand in order to provide greater customer service and reduce inventory and logistics costs.

Intrinsic provided a consultant with extensive experience in promotional management from both a merchandising and purchasing perspective who rapidly evaluated the current processes and defined the issues. Working with management and the various process players, a consolidated and comprehensive process was defined that linked all the players and provided effective communication and execution throughout the process.

With the process designed, it was determined that a technological solution was required to adequately support the process, workflow and data interchange. Intrinsic conducted a software evaluation of the generally available solutions in the marketplace, and ultimately the client settled on an internally developed web-based technology.

A solution was developed that facilitated a single process, yet was adaptable to the unique situations of all of the business divisions. The solution also provided the replenishment organization with an accurate prediction of event demand to allow them to purchase incremental goods, in time to support the event. Communication among all parties in the process was greatly improved with automated alerts and prioritization of tasks. Data flow was automated to ease the process by establishing data interchange with the client's purchasing and ERP software.

Promotional fill-rates increased, and logistics costs were reduced by placing the appropriate amount of promotional inventory in each location. The technology greatly improved communication among the teams, and improved promotional event planning. The solutions enabled this company to gain control of the promotional process and service customers more effectively.

About Intrinsic Value Chain Solutions

Intrinsic Value Chain Solutions, was founded to provide inventory consulting services and technology solutions that help companies to increase revenue, cash flow and profit without engaging an army of consultants. Our principals provide the expertise to develop inventory and logistics processes and solutions that ensure minimal inventory levels and high customer service levels. Further information can be found at our website at:

http://www.intrinsicvaluechain.com/offerings_intrinsic_value_chain_solutions.htm

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