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New Playbook

Allocation solution helps keep Casual Male in the game

When you carry up to 49 sizes of a single style of pants, the ability to track stock information down to store-level SKU is essential.

Casual Male Retail Group, the nation's largest retailer of big and tall men's apparel, is "a size business," says executive vice president, COO and CFO Dennis R. Hernreich. "We need to provide confidence to the customer that what he needs will be in stock in the size he needs."

Headquartered in Canton, Mass., Casual Male operates more than 520 stores in the United States, Canada and the U.K. under the Casual Male XL, Rochester Big & Tall Clothing and Sears Canada-Casual Male banners. The clothier's recent search for a more streamlined and cost-effective Business Intelligence solution led it to Atlanta-based QuantiSense.

"With other choices, we were provided with space capsules exploring all of outer space," Hernreich says. But Casual Male "knew where we needed to go" and merely "needed an astronaut. With QuantiSense, we had a streamlined path to what we needed. They knew our issues, our challenges and they tailored their tool to our issues."

QuantiSense offers a best-practices retail data warehouse that can be implemented in 100 days. Corporate users conduct data analysis using QuantiSense's packaged analytics, reports and dashboards tailored to specific roles within retail corporations. In addition to Casual Male, customers include Hallmark Cards, Pacific Sunwear and FAO Schwarz.

The specialty clothier's work with QuantiSense has evolved through three phases. In the first, the data environment was set and information fed into the data warehouse. Phase II saw information flowing automatically into the data warehouse and the development of data-based reports. Casual Male used the reporting capabilities gained with QuantiSense to define, add, combine and streamline reports.

The third phase in implementing Casual Male's new data warehouse platform is "somewhat unique," Hernreich says. "Because the data warehouse contains all information essential to our operation, we had the desire to create one environment for our three merchandising groups — allocators, planners and merchants.

"I haven't heard of this anywhere else," he says.

The company chose to standardize what each person in the clothing chain saw in reports and data, as well as define the roles of each group. "In our previous environment, our people could do ad hoc custom reports and generate information particular to each role," Hernreich says. "While this was well intended, roles in the process were not well defined and time was spent creating multiple reports."

Casual Male wanted to define reports and situations such that answers would be automatically generated based on the data. QuantiSense's Playbooks are a collection of role-based scenarios that use situational analysis like allocating the right merchandise to the right stores to prevent out-of-stocks or overstocks, or identifying when orders should be cancelled or accelerated.

"We have 12 important playbooks that allocators look at to execute their responsibilities," Hernreich says. The playbooks help streamline and improve the execution of allocator responsibilities. "The playbooks cover different situations, but mainly help to isolate on an exception basis what allocators deal with daily, such as hot or cold merchandise, what's selling and what's not. We can focus on our best-selling items and assess store needs of these hot items. For cold items, we can eliminate over-inventory."

The company's targeted in-stock position is 95 percent, he says.

Tied to data warehouse

Many of the early data warehousing solutions failed because they took too long to produce answers, says QuantiSense COO Jeff Giberstein. "In the past, it was typically a long, risky task to gather all the different, disparate data sources and bring them into a single place," he says. By the time answers were derived from the data, business requirements had often changed so users were not getting what they expected and needed.

Multiple retail systems can be tied into a data warehouse, including POS, labor scheduling and a real estate system to manage store assets and information. However, answers to the most commonly asked questions, like a store's per-square-foot sales performance, couldn't be easily answered by any one of them, Giberstein says. "To make business decisions, you need to pull together data from a lot of different systems," he says. "This is QuantiSense's specialty."

Many retailers don't know how to write queries to extract answers from data warehouses — and don't have the time to learn, Giberstein says. Most QuantiSense customers want a solution that highlights the problems that are most important and need to be solved first, he says, and "what we want to do is put the information in front of them in a form they can use."

People make decisions in different ways when looking at the same data. "One person might, in an overstock situation, initiate a markdown and reduce the product chain-wide," Giberstein says. "Another person, presented with the same information might say: 'Wait a minute. This item is selling very poorly in the Southeast but is moving like hotcakes in the Midwest. We don't need to mark this item down — we just need to sell it in the right place.'"

Individual profiles

QuantiSense developed playbooks because retail executives want to codify common decision-making processes to save time. To define Casual Male's allocator playbook, for instance, QuantiSense spent time with a company allocator who described how the company handles different situations.

Like most retailers with modest-sized sales floors, Casual Male "needed to understand what was bought in each store so that stores could be merchandised individually without a lot of effort," Giberstein says. Since stores that are close geographically may need to be merchandized differently, different profiles were developed for each store.

The playbooks are "very actionable" and eliminate the need for allocators to pull their own data, which saves hours of labor, Hernreich says. "The better we are at streamlining our processes, the better optimized our gross margins will be."

Casual Male plans to launch playbooks for planners later this year, followed by playbooks for merchants.