



# Merchandise Planning Brings Big Value To The Buyer

***Big 5 Sporting Goods empowers buyers with the Merchandise Planning application from Island Pacific.***

With more than 400 stores spanning 12 western states, Big 5 Sporting Goods is a national leader in the full-line sporting goods segment. Its weekly print ads are a staple in the markets it serves, and are complemented by its growing digital promotions. Those rigorous outbound marketing efforts have contributed to the company's growth as it approaches one billion dollars in annual revenue.

## **Benefits of Merchandise Planning Application**

As a growing and dynamic retailer, merchandise planning is an important aspect of Big 5's business. In an effort to improve its merchandise planning, Big 5 implemented Island Pacific's Merchandise Plan-

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Divisional Merchandise Manager  
Big 5 Sporting Goods

ning Tool and has been pleased with the results. “The application provides a stable planning tool to enable top-down, bottom-up planning,” says Big 5's divisional merchandise manager, Daniel Meister. Meister says that the tool provides efficient visibility into sales, margin and inventory receipt forecasts and contributes to the customer experience through better stock positioning, while benefiting the business through tighter back office inventory control.

## **Smooth Transition to IP Merchandise Planning**

After Big 5 plugged in the Merchandise Planning application from Island Pacific, the retailer was impressed with its functionality. Jay Ballesteros is men's footwear buyer at Big 5 and served as a lead on the implementation team. “From a change management perspective, the transition was smooth,” says Ballesteros. He and Meister worked diligently with Island Pacific to produce training manuals, conduct group training sessions, and develop other tools to ease the transition. “Our team of buyers quickly embraced the simplicity of the application,” says Ballesteros. “Using the application, our buyers can quickly play with numbers to analyze business impacts of different buying scenarios.”



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Meister says that the benefits of algorithmic merchandise planning include providing useful information to supplement buyers' inherent knowledge from years of experience. “As our chief merchant explained it, the tool gives our buyers guard rails. They can use any lane on the freeway within those guard-rails,” he says.

His team appreciates the analysis of what-if scenarios the tool provides. “Buyers can plug in any number of buying scenarios and instantly forecast the sales impact,” says Meister. “We also appreciate the ability to plan and forecast by class, taking into account class sales trends and analysis of class-level what-if scenarios.”

## Benefits Extend From Back Office To Front Office

“With the tool, we can quickly plug in some figures, hit calculate, and see our vision of the buy,” Ballesteros says. “The visibility benefits our finance department because they can run more efficiently. With its own view into the system, finance can see what the budget looks like at any time and in real time,” Meister says. With the time freed up by its more efficient and accurate merchandise planning tool, Big 5 buyers “have more time to dive into special buys, analyze the business impacts of our decisions, work with vendors, and collaborate with marketing on our advertising and promotion efforts,” says Ballesteros. “The tool contributes value, because it provides a clear and accurate view of our impact on the overall profitability of the company.”

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