

PRIMARK®



Primark Case Study

July 2018

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The Challenge

Many retailers and consumers alike take their hats off to Primark whose first store opened in Dublin, Ireland in 1969, it's adored by fashion fans and value seekers alike and today operates over **350 stores in 11 countries across Europe and America.**

Primark is widely established as the destination store for keeping up with the latest looks without breaking the bank. Offering a diverse range of products, stocking everything from baby and kids, to women's, men's, homeware, accessories, beauty products and confectionery.

The Solution

Island Pacific SmartSuite takes a key part in supporting the team in achieving their daily goals. Primark use two products from the Island Pacific SmartSuite.

- Island Pacific SmartPlanning
- Island Pacific SmartBus



Island Pacific SmartPlanning

Island Pacific SmartPlanning is used by its 500 strong team to provide a mechanism for the team to carry out its Merchandise planning from pre-season Budget, Store Plan, In-season budget as well as a Unit and Option Plan. The plans are far reaching and allow the Merchandising team to work in parallel with the Retail team who of course are focused on store performance and plans, as well as the Buyers who will be building up their view of the season from a product perspective. The Island Pacific SmartPlanning allows the Merchandisers to work in isolation and then marry up their numbers with those from Retail and the Buyers at a later stage all within the Planning product.

Primark Use 4 Key Plans within Island Pacific SmartPlanning

1. Pre-Season Budget Planning
2. Store Plan
3. In-Season WSSI / Open to Buy
4. Key Line Planning





1. Pre Season Budget Planning

Island Pacific supports the first stage of the pre-season budget. The purpose of the Pre Season Budget is to set the framework for the season. It allows the merchandiser to set a Sales, Stock, Mark-down and Intake Budget at subsection group level by seasonality and by area. In addition some key overall benefits are **the ability to bring in last year's figures as a base and apply a % increase/decrease to the total figure**, the system calculates a new base at a total level and across the weeks mirroring last year's shape. This can then be tweaked to allow for anomalies, for example, moving Easter dates, blips last year due to stock shortages/extraordinary weather etc. **Users are easily able to 'lock down' figures** for significant weeks and 'spread the balance' i.e. as pro-rated totals, across the remaining weeks.

In addition it provides the ability to view the mix of each period of the season and each week within the period. Merchandisers can also check that your subsection mixes of the section are meaningful, and check the section of the department. They can also see the mix of each seasonality, and make any required amendments.

Once the team are happy with their sales and mark-down plan, by entering a forward weeks' cover figure level they believe is appropriate to operate their department on, combined with a minimum stock level if applicable, **Island Pacific Planning automatically drive out their Budget Stock requirement by week**. Finally, once the Budgeted Stock figure has been derived, the budgeted intake figure will be determined.

2. Store Plan

Moving onto the Store Plan. The purpose of the Store Plan is to produce a sales plan by subsection group, store and week. To achieve this, a reconciliation is performed between the Merchandisers Pre-Season Budget Plan, produced at the levels of sub-section group, area and week; to the Finance Store Plan which is produced at the levels of department, store and period.

Primark choose for each area to have a separate Store Plan i.e. UK, ROI, Iberia, Netherlands, Germany, Belgium and USA



3. In -Season Planning WSSI & Open To Buy Management

The purpose of the In-Season WSSI (Weekly Sales, Stock, and Intake) or Open to Buy Plan is to provide the Merchandiser with the means to monitor and manage their areas of responsibility at sub-section group level by seasonality and by area e.g. ROI, UK, Iberia etc. against an agreed company budget.

The initial budget is set in the Pre-Season Budget plan, from which the relevant measures are fed into the In-Season WSSI/ Open to Buy. This plan is primarily the Merchandiser's tool, yet the Buyers will be working in parallel on their Line Projections Plan and total sales rollup from the Line Projections will be made visible as reference measures within the Pre-Season Plan, ensuring that each team has visibility where needed.

Sales, stock commitments and markdowns taken will be automatically updated into Island Pacific Planning. **The Merchandiser will be able to easily see the performance of their subsection groups to assess whether sales need to be re-estimated up, down, or left as they are.** The first stage is to re-estimate sales, which will trigger the recalculation of the forward stock requirement based on the forward number of weeks cover required, as specified by the Merchandiser. This can be combined with a minimum stock holding where relevant.

The forecast stock levels for future weeks will update automatically and it will be instantly visible whether there is an Open to Buy requirement or a resultant overstock position.

Estimates are measured against the budgets set in the Pre-Season Budget plan. Estimates are also periodically locked to allow the business to monitor actual performance vs. these revised estimates as merchandise teams re-forecast based on trends.

By estimating the value of stock which will be recoded into the next season the Merchandiser will be able to see the anticipated terminal stock position and therefore take any corrective action.

The "Balance to Achieve" view will help the Merchandiser to review whether their forward estimate is sensible in the context of past and current performance.

4. Key Line Planning for all departments

The purpose of the line projection is to enable the user to focus on individual lines at area level to ensure that they are reaching their full potential.

A rollup of all projected lines is also be available in the In-Season WSSI / Open to Buy Plan as a cross check

By using last year's sales information as a basis, Primark are able set a level of sales for this year, amending as appropriate to cover moving peaks, i.e. Easter, schools holidays, etc.

In addition, with visibility of last year's stock levels and ASP's **Primark will be able to assess whether any weeks were under potentialised**, and amend this year's numbers accordingly.

By using a forward week's requirement the team are able to set a forward required stock at the most appropriate level for the sales expectation, also taking into account minimum stock levels where a minimum credible stock level should be maintained.

Clear visibility of commitment enables the team to see the phasing of stock coming through, in line with sales and stock levels and any resultant under-stocks i.e. Open to Buys will be flagged up.



A photograph of a young woman with long, light brown hair, smiling warmly. She is wearing a light pink button-down shirt. The background is a blurred retail environment, possibly a clothing store, with shelves and other people visible. A large, bright yellow diagonal overlay covers the left side of the image, extending from the top left corner towards the bottom right.

Island Pacific SmartBus

Finally, Island Pacific SmartBus assists in the integration of Island Pacific to existing systems and alerts of files transmitted from third parties. Island Pacific SmartBus provides an interface to Island Pacific modules and external third party applications and services already deployed in Primark. Based on Mule – the industry standard open-source software that follows best practice procedures – the **Island Pacific SmartBus architecture is scalable and can handle interactions across legacy systems and in-house applications.** From a technical point of view, the solution for Primark was rolled out in such a way as to make updates to the software seamless to the users, and we further support Primark with upgrades and further developments and changes.



The Business Benefits

Automation & One Version of the Truth

Previously the system of choice was excel and using this across 500 users and two offices meant that the introduction of Island Pacific SmartPlanning, which provided one version of the truth with the ability to have integrated plans working harmoniously, meant that life was so much more efficient for the team.

This was due to key features such as the following:

- Ability to bring in last year's history
- View actual data against forecast and budget
- Locking of key planning figures
- The ability to reconcile plans via top down and bottom up planning capabilities

Tighter Open to Buy control

The ability to view by departments and key lines budgets, actual on hand receipts, anticipated sales and the Open to Buy figure means that the teams can have a much tighter control of where it makes sense to place orders, and make the most effective use of their Open to Buy.

Real Efficiencies in Stock Holding

The team now have a high level view and a detailed view of which departments and items make the most sense to invest in. That ultimately means reduced stock holding and money not tied up in inefficient product, which ultimately impacts bottom line margins.

Efficient Control of Purchase Order Management Process

The comprehensive features in Island Pacific Production Order Management ensure that the team have an integrated purchase order process which works in tight conjunction with their planning process and ensures efficiency of operations.

Future Proofing

A look at Primark history shows they are a company that never stands still. Island Pacific SmartPlanning provided a solution that could evolve with them in the different markets and channels and challenges and opportunities. Island Pacific SmartPlanning has never stood still and continues to evolve to help Primark.



“ *Island Pacific SmartPlanning provides an integrated planning solution for all our pre-season and in-season planning, store planning and line plans. The fast pace of our business means we needed a solution which is scalable, easy to use and delivers the right information to our users in order that they can make key merchandise decisions and invest Open to Buy in the right areas.* ”

– Stuart Elborn, Head of Delivery Buying & Merchandising



In Numbers

over

350

stores

11

Countries

over

14 million

sq ft of selling space





About Primark

Primark operates in over 350 stores in eleven countries: Republic of Ireland, the UK, Spain, Portugal, Germany, The Netherlands, Belgium, Austria, France, The US and Italy; and has over 73,000 employees. Primark's first US store opened in September 2015 and the first store in Italy opened in April 2016. Primark offers high quality fashion at value for money prices, put simply, "Amazing Fashion, Amazing Prices".

Island Pacific SmartPlanning

Overview

With consumer demand increasing across retail, wholesale and e-commerce, it is now more important than ever for businesses to ensure inventory is in line with demand. Island Pacific SmartPlanning is a sophisticated, intuitive and integrated support tool that helps with merchandising across all channels, from planning right through to assortment, allocation, and replenishment of stock.

Island Pacific SmartPlanning is **extremely versatile** modular software. Modules can be taken separately or as an integrated solution, **depending on what best suits your needs**. The software has been **specifically designed to integrate** with all other modules from Island Pacific or your existing ERP systems and databases, providing complete control over merchandise management. Modules can be configured to fit easily with your retail planning processes. Planning work flow, structures and performance measures to support your pre-season planning, in-season re-forecasting and of course; the all-important analytics, using both standard and attribute hierarchies to plan your business the way your customers shop.

With over 30 years' experience providing world class merchandising and store operations software to the retail industry, Island Pacific will partner with you to ensure the Island Pacific SmartPlanning solution is **customised to work seamlessly for your merchandising needs**. To find out more, or for a product demonstration, contact us today.



Island Pacific
SmartPlanning



Planning Analytics



Allocation Manager



Replenishment Manager



Assortment Manager



Merchandise Planning

Benefits

- ▼ **Multi-channel:** Manage merchandise planning for all channels using a single integrated solution
- ▼ **Configurable:** Provides best practice retail planning with business specific configuration
- ▼ **Save time:** Reduced manual input and integrity of data with one version of all activity
- ▼ **Proven track record for return on investment in critical areas such as:** Improved stock turn, increased mark-ups, lower average inventory, increases in gross margin and cash flow
- ▼ Full life cycle management from planning to operational systems for purchasing, allocations and master data management
- ▼ **Improve Forecasting:** Ensure smooth product launches, using accurate analytics that draw on past trends, present data and measurable KPIs
- ▼ **Flexible:** Select the modules that best meet your needs and planning objectives

Features

- ▼ **Top down, bottom up pre season and in season merchandise planning as well as key item forecasting across multiple channels**
- ▼ **Assortment Manager:** Transition seamlessly from high level planning into Assortment Planning
- ▼ **Open to buy management and control**
- ▼ **Allocation module:** Streamline your cross channel – making the process faster and more efficient than before
- ▼ **Replenishment module:** Manage stock replenishment, using dynamic calculations that can be amended based on past trends and future sales projections
- ▼ **Planning Analytics:** For key performance analysis across all planning and third party data for detailed and exception reports
- ▼ **Intuitive user interface**