It's Time to Re-think Merchandise Financial Planning

Merchandise Financial Planning today is a manual and exhausting task.

Merchandise planners spend around **70%** of their time creating, manipulating, and adjusting data in search of the perfect plan.

The typical planning cycle can take **3–6 months** of analysis and negotiation, often planning **6–12 months** ahead of the selling season trying to spot emerging trends in sales patterns and external sources.

Planners then spend more time refining the plan as the selling season approaches, reviewing short term horizons to ensure the highest possible levels of accuracy.

Trend or Blip?

Rapidly changing shopping habits make an already difficult task even harder.

In the last few years, shopping basket size has grown and shrunk, omni-channel retailing has exploded, the cost of living has reduced the shopping dollar, competition has increased and frequent disruption have created volatile supply.

Customers have shown a reluctance to give up the freedoms they discovered during the Covid pandemic

Retailers are responding by growing selling channels chasing ever elusive and more savvy shoppers, but adding more complexity to their plan as they go. Traditional methods of channel planning do not support hybrid shopping or a single view of inventory.

77%
of shoppers are reducing spending on non-essential items
(Bazaarvoice)

73%
of consumers claim to have changed their spending habits
(Bazaarvoice)

48%
of people prefer hybrid shopping
(Forbes)

Is the Juice Worth the Squeeze?

Despite the effort, most merchandise plans fail the reality test: too much of the wrong inventory in the wrong location, and critical shortages that lose sales in the short term, and customer loyalty in the long term.

Revenue and profitability suffer.

Inventories are Growing
In the United States alone, total retailer inventories rose by 12% in 2022, worth approximately $740 billion of unsold goods.
Accenture

Poor Planning Hurts Your Bottom Line
25% of returned stock and 5% of a retailer's on-hand stock at any given time is non-productive excess.
Supply Chain Brain

44% of fashion retailers have surplus goods they're desperate to offload — accounting for almost 20 percent of their entire stock holding.
Total Retail

Ready to Re-think?

You are not alone.

Blue Yonder is Leading a Retail Planning Revolution

Merchandise planning needs to change. Planners need higher accuracy, consolidated data and an increased focus on strategy.

Cognitive Merchandise Financial Planning transforms the approach to retail planning. By combining predicative and generative AI on a consolidated cloud data platform, it frees planners from the unproductive drudgery of manual planning and shifts them into strategic assets.

More than
40%
of corporate decision-makers see an urgent need to overhaul their supply chains in 2023
(Bloomberg)

Collaborative Ecosystem and Scenario Planning
Highly automated workflows and multi-variable scenario planning improves planner productivity.
Learn more

Generate Plans Faster – and Better
Intelligently seed plans with advanced predictive AI to predict sales and inventory targets.
Learn more

Transform the User Experience
Leverage cutting edge generative AI to more efficiently make decisions.
Learn more

Ready to join the revolution?

Lean more at
https://blueyonder.com/solutions/merchandise-financial-management

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