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Retailer Connects with Vendors to Build Unprecedented Supply Chain Efficiencies

Executive Summary: Partnership between Fortune 100 retailers and their vendors is foundational to market leading sales growth and the critical efficiencies that fuel expansion. Everyone wants to improve sales forecasts, optimize promotional opportunities, drive end-to-end supply chain efficiencies and count on excellent in-store execution. But how can they ensure it will happen?

The Challenge: Chaos

This category leading retailer and its top vendors found their organizations operating in a fragmented manner. The retailer needed to employ forecasting and promotional systems and processes to efficiently manage information. If they could standardize communication formats and timelines, it would reduce manual work that could be reinvested into conducting more vigorous analysis on performance and profitability.

Forecasts, sales, scorecards and program plans needed to be stored in a shared space as an official information repository -- making the same information available for internal departments and vendor partners. The retailer and its partners could improve profitability if it could create a forum for collaboration with vendors to review and react to sales and supply chain performance.

The Journey

Led by Delaney Consulting, the joint retailer-vendor team prioritize the steps necessary to ensure long term, collaborative relationships. Using facilitation sessions with leadership, technology surveys, process timelines and role maps, they quickly identified obstacles and developed effective tools and processes to guarantee collaboration and partnership.

The Solution: Clarity

Soon they designed an integrated vendor program ensuring that the retailer and its vendors deliver mutually agreed upon plans. With an unprecedented level of integration from both sides of the desk, issues that affect business plans are raised and addressed at monthly meetings. Sales and profit forecasts are developed together and there is accountability across and within each organization to improve transparency. Surprises are less frequent and the teams are empowered to make adjustments when necessary to deliver results.

The Results

The retailer and their vendors have a successful communication and collaboration model. Forecasts are more accurate. Inventory aligns with anticipated levels. Promotional sell through has improved. Scorecards are used to measure performance and as an early indicator to make adjustments when necessary. There is a vendor repository portal for performance tools and reports, scorecards and documentation. It is the single version of the truth that was missing before. There is more time for value-added analyses instead of data entry into non-integrated systems. Additional vendors have been added to the program because of its proven success.



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