automated
inventory control

OPTIMISING THE
FASHION CYCLE

Jeans West is one of Australia and New Zealand's most recognisable fashion brands. It has approximately 220 stores across both countries selling its own branded jeans and clothing, and has recently launched a collaborative range developed in conjunction with Tsubi.

AS the company continued to grow, both in number of stores and breadth of product range, it required a more consistent method of measuring its performance across a set of key financial, customer service, employee learning and growth, and business process indicators. These include sales and profit against budget, employee turnover and product delivery times from suppliers.

Until recently, Jeans West relied on a series of spreadsheets kept at varying management levels and geographical areas for performance tracking and measurement. This led to fragmented access to data and reports from systems that lacked the capability to provide more detailed information, for example, on sales at a particular retail store for a specific pair of jeans or colour of belt, to regional, state and executive management.

Such information is critical to achieving targets and maximising opportunities in the sales cycle.

"We have six turns in our fashion cycle per year, so in women's' wear an item is literally in stores one week and out 10 weeks later, 13 weeks later for menswear," explains Patrick Aldred, IT Applications Manager, A/NZ, Jeans West. "It's critical that we get the items to perform in the first weeks of the cycle because we start to miss the opportunities near the end as stock goes on sale, resulting in a loss of margin."

Jeans West recognised that making even small improvements earlier in the cycle could provide significant flow-on effects. "We knew that if we could make a small percentage increase in sales in a company turning over X millions of dollars per year, we could suddenly end up with a very large figure. Even a smaller figure would leverage up [into the bottom line]," says Aldred.

Jeans West set a course to develop a consistent, enterprise-wide corporate performance management (CPM) system to provide accurate insight both vertically and horizontally across the business. One of the key features was a balanced scorecard to measure a newly centralised set of key performance indicators (KPIs).

The company engaged consultants to build the project specification and invited several vendors to build a prototype to deliver KPI measurement functionality in a cost-effective manner. The company selected Cognos PowerPlay Web and Visualizer due to the intuitive nature of the solution and Cognos's ability to deliver in the least time.

"We had four weeks to implement the first phase, and although it was tight we actually achieved the objectives and had the solution in place within a month of it being developed. It was an amazing achievement and a lot of credit to Cognos for being able to come here with some pretty skilful people," says Aldred.

Jeans West and Cognos jointly developed seven data 'cubes' for business areas including supply chain, employee turnover, customer conversion rates, and sales and profit. Joint development also covered user interfaces to enable staff to access the collated information either graphically or directly as hard data.

Approximately 50 staff currently use the solution, including sales, management, planning, helpdesk and finance personnel.

Aside from fulfilling the aims of the initial project — including increased transparency and visibility over information for decision making — Jeans West has also been able to leverage its investment in the Cognos platform in a number of other areas of the business.

"One area we've been able to expose information is payroll. Until recently, payroll was a fairly secure loop in which stores provided the information, which was entered into the payroll system, whereas now the data is visible to regional managers in the field so they can keep track of who worked at a particular store and the hours they worked," says Aldred.

The solution has also found niches in comparing customer traffic in stores to

actual sales, and the maximisation of retail sales opportunities in the early stage of the fashion cycle.

"We now combine the information from in-store traffic counters with the number of transactions recorded at the point of sale, so we can assess marketing department and store performance," explains Aldred.

Jeans West also involved a couple of 'power users' to identify additional opportunities.

As a result of the feedback, the development team created a series of custom reports using the custom subsetting features in Cognos to track and measure the performance of special clothing lines and identify stores where the lines have under-performed.

"The reports enable the sales force to identify bottlenecks and contact the stores quickly to find whether the stock is on display

or poorly presented or if it hasn't even been delivered. The ability to take action at an earlier point in time has made a big impact," explains Aldred.

Having the solution to accurately analyse information from the highest right down to the lowest levels has not only enabled Jeans West to ascertain "a clear read early in the fashion cycle to take action", but also ensure that different people in the organisation now have access to a level of detail that is appropriate to their roles.

"Executive managers can view high-level KPIs on how the overall business is trending, whereas state managers can monitor regional performance and regional managers

track day-to-day fluctuations in individual store performance," says Aldred. "In addition, planners can easily track clothing size information and query key stores to ensure there is available stock in the right sizes at the right time."

From an ongoing perspective, Jeans West plans to continue applying the software to seize 'low-hanging' opportunities. "The applications just keep coming. Because the Cognos solution is quite productive, it doesn't take much to achieve a good return, within months in many cases, providing the idea is right and we can follow it through," adds Aldred.

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