

AUGUST 2004
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Business Matters
TECHNICAL ASSISTANCE

In Review
DALLAS

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Technical Assistance



Above: Jim Lewis, founder of Enhanced Retail Solutions

ENHANCED
RETAIL
SOLUTIONS
GIVES SUPPLIERS
TOOLS TO
ANALYZE RETAIL
SALES
INFORMATION IN
ORDER TO
RECOMMEND
APPROPRIATE
ASSORTMENTS

Suppliers today are assuming more and more responsibility for making sure their product sells through on the retail floor—and a former JC Penney buyer is helping them do it.

James Lewis, a Penney home furnishings and children's apparel buyer for 15 years, founded Enhanced Retail Solutions in 2002 to develop a revolutionary new approach to business analysis. The Desktop Analyst is a software suite that examines retail sales information by SKU and by each individual store, putting a tremendous amount of information at suppliers' fingertips and allowing them to make specific, detailed recommendations about assortments to their retail customers.

"The Desktop Analyst is written from a buyer's perspective," Lewis explains. "The software is designed to produce a report in a form the buyer is used to seeing. My system takes 200,000 lines of data and digests it in a manner that the buyer can understand and relate to."

Current home furnishings firms using the Desktop Analyst include Hollander Home Fashions, Britannica Home Fashions, and Jay Franco & Sons.

"This custom-designed software is a great tool to help us determine how the stores are doing at a SKU-by-SKU level," points out Jeff Hollander, president, Hollander Home Fashions. "Jim has created a system that takes the data from our retail customers' Internet sites and gives us all the statistics we need to manage the business. Our salespeople use the information, as do our projection analysts."

Etai Gross, president of Britannica Home Fashions, asserts, "It is very, very important, in today's environment, to make sure our products are successful on the retail floor. A given retailer's success on the floor is our success. We have a lot more responsibilities as a supplier to make sure the inventory is right in the stores. We get involved in a major way with managing our programs. Many retailers today don't have the time or the manpower to manage each and every SKU."

The Enhanced Retail Solutions software system is divided into six modules: Weekly Analyst, Forecast Manager, Replenishment Advisor, Season Analyst, Demographic Profiler, and Item Planner.

The Weekly Analyst shows a snapshot of the sales and inventory levels on a particular item by store,

and helps a user determine if the item is performing as expected or not. The Forecast Manager helps determine the sales potential of a particular item, and identifies the correct inventory levels needed to reach that potential, according to Lewis.

"The Replenishment Advisor analyzes which stores have too much and which stores need inventory by distribution center, so that the retailer can quickly act on the information," Lewis says. "The Demographic Profiler measures 18 demographic traits where products are selling and where products are not selling, and allows a user to sort stores either within a given retail chain, or to determine which stores in different retail chains have similar demographics. The Item Planner looks at what the cost has to be on a particular item to make the margin

SALES CURVES

You believe that the basis of planning, forecasting and reports because they can take into account seasonality, market to time and regular use of the Desktop Analyst, an arsenal of all these functions.

CATEGORY	CURVE NAME
USER DEFINED	NEW-HDK
USER DEFINED	WASHED TRIMS
SOFT HOME	SOFTS
SOFT HOME	CASLS
SOFTS	PCP-417

OUTERWEAR

MONTH	PERCENTAGE
FEB	0.0%
MAR	0.0%
APR	0.0%
MAY	0.0%
JUNE	0.0%
JULY	0.0%
AUG	0.0%
SEP	11.6%
OCT	32.7%
NOV	17.4%
DEC	0.0%
JAN	0.0%

INTRODUCING THE Desktop Analyst VERSION 2004

Enhanced Retail Solutions, Inc.
TEL: 214 618 6080
www.enhancedretailsolutions.com

DEMOGRAPHIC PROFILER

Reporting capabilities helps spot variances between store groups, the US Average and the retailer's overall average. With the intense study of many figures, viewing a graphic presentation may be the quickest method of spotting the trend.

You can visually see that the Top Stores are far higher than the other averages.

The must have tool for vendors of the retail giants.

guarantee. The user can track the business week to week and identify trends and determine whether an item is profitable or not.

"Where the system really shines is in helping identify missed business opportunities," Lewis continues. "With the Season Analyst, we can determine where there is a lack of inventory and project sales numbers, which in turn can help the retailers maximize sales. For example, there are a certain percentage of customers who purchase duvet covers who also will purchase down comforters. We identify the correct percentage of duvet covers to down comforters to help the retailers ensure they have adequate inventory on hand, and therefore, take advantage of those sales opportunities."

The system also helps with supply chain management, according to Hollander. "We use Jim's system in our forecasting to analyze long-term sales trends with respect to individual stores and regions. It helps us with our raw materials purchasing, as well as with our production timeline, and also helps us determine which of our regional manufacturing facilities will be most effective and closest to the customer. It helps us put the right raw materials in the right plants so we can ship on time."

Gross of Britannica notes, "The major benefit has been to allow us to project a lot further out on our cus-

tomers' replenishment needs and more carefully align our inventory levels based on the actual weekly sales at the store level. We've also used his demographic analysis to identify which areas of the country will respond well to a particular look."

Hollander also uses the Demographic Profiler. "We use the system to determine which of our products match the demographics of a particular store. We look at specific zip codes where our products are already doing well, and go after zip codes that match the demographics to suggest areas where our products should be sold. It is ideally suited to working with large retailers, who have multiple stores and distribution centers. The idea is to get the right product in the right place to maximize sales."

Both suppliers say the system has made them more competitive. "We've found Jim's system to be a very, very valuable business tool," Hollander says. "We used to try and do this manually, but the manpower needs were astronomical. The market basket function is great. For example, we used to have to go through ten different people to get that information."

Gross remarks, "We go to meetings today and have real informed recommendations for our customers as to what merchandise should be in

what stores and when. It isn't just about selling more product, although that certainly helps! Using this system has made us more competitive as a supplier; our retail customers trust us to manage the business with them to help merchandise sell-through. The information is an important part of what we offer, and that in turn helps us generate more business.

"From our perspective, the investment we've made in Jim's product is miniscule compared to the amount of additional sales we've gotten from using his software," Gross continues. "The return on our investment has been incredible." □

Below: Industry suppliers like Britannica Home Fashions are using The Desktop Analyst software to analyze sell-through information and improve forecasting.



WEEKLY ANALYST

All reports export to Microsoft Excel - a tool that is familiar to retail buyers. Custom reports can be formatted to fit any report, and can be emailed to correspondents.

ITEM PLANNER

This module tackles one of the most important factors in determining what the optimum cost is. Using the user can track business week by week to determine to optimize performance. Any factor of multiple "what-if" scenarios. This way, the user can margin guarantee there is a basis to set without having to pay markdown money.

REPLENISHMENT ADVISOR

This module provides store to store transfers - matching over or under merchandise. The match can be done by State or by channels.

FORECAST MASTER

The Forecast Master also includes the ability to forecast JCPenney Catalog items. Like retail forecasting, this report provides 10 months of Inventory Needs and Expected Sales, and takes wholesale inventory and on order into consideration. A special feature allows the user to calculate the Forecast including Commission (Post Sales) - which provides the amount that could be sold if the proper amount of inventory is sustained.