



## Total Merchandise Management

In recent years, a convergence of macro economic and structural trends created new pressures and new opportunities for retailers. Barriers to global trade have tumbled. Tectonic shifts in demographics have created an aging population in North America and Europe and a rising middle class in other parts of the world. Dramatic geopolitical events dominate headlines on a daily basis.

These trends create opportunities for market expansion and cost advantages through the application of global sourcing strategies, but they also create unpredictable consumer spending patterns and a complex supply chain that is difficult and costly to manage.

Designed to overcome these challenges, i2 Total Merchandise Management provides the framework to drive results. It is a comprehensive methodology comprised of i2's domain expertise, solutions, and service offerings that enable companies to create, evaluate, synchronize, review, and publish all plans across an enterprise.

### Features and Benefits

i2 Total Merchandise Management enables the following workflows:

#### ***Merchandise Financial Planning***

The i2 Merchandise Financial Planning (MFP) workflow powers a closed-loop planning process to realize sales gains while delivering a superior customer shopping experience. It combines the "art" of planning with data-driven retail analytics and statistics. i2 MFP powers a planning process that drives top-down, bottom-up, and middle-out planning across channels and segments, and supports financial, merchandise, and location planning in a single environment. This process provides visibility into plan exceptions. i2 MFP leverages the i2 Agile Business Process Platform, which is built on a highly scalable data and technology architecture, and integrates data into downstream buying and assortment management processes.

#### ***Buying and Assortment Management***

i2 Buying and Assortment Management (BAM) is a comprehensive assortment planning solution for the top- and middle-tier retailer. This highly interactive solution can enable buying and planning from the early conceptual stage to the final creation of market-tailored store assortments. Supporting receipt plans can be reconciled with top-down "open-to-buy" constraints dictated by the financial merchandise plan. i2 BAM leverages the i2 Agile Business Process Platform, a highly scalable data and technology architecture that enables data-level integration into upstream merchandise financial planning processes as well as downstream allocation and replenishment management processes.

#### **The i2 Advantage:**

##### ***Unmatched intellectual property***

- Collaboration with major retailers and branded suppliers around the world, including Gap, Payless ShoeSource, Nike, VF Corp, adidas, and Woolworths

##### ***Real-world tested scalability***

- Payless ShoeSource: 1,000 style-colors (x 13 sizes) @ 4,700 stores/52 weeks
- VF Corp: 75 DCs, 100+ plants, 20 cutting centers, and more than 200,000 SKUs

##### ***i2 Agile Business Process Platform***

- Reference data model across retail, sourcing, supply chain, and transportation
- Service-oriented architecture to leverage existing system investments
- Modular for incremental growth

##### ***Familiar, responsive user***

##### ***interaction paradigm***

- Browser and Excel-based user interfaces
- Interactive, incremental planning capability

##### ***The i2 team***

- Knowledge base of leading practices across retail and consumer goods industries
- Deep industry knowledge, with broad engagement experience in business strategy, change readiness, opportunity assessment, and process consulting across retail, sourcing, supply chain, and transportation domains
- Proven project management team with direct experience in implementing solutions for large retail and national brand companies

##### ***i2 customer base***

- Strategic partnerships with retail and branded product industry leaders

### ***Allocation and Replenishment Management***

i2 Allocation and Replenishment Management (ARM) enables the creation of feasible and actionable plans that account for plan targets and constraints in a connected multi-level supply chain. Given that most fashion products go through a push (initial allocation)—pull (back-to-sales replenishment)—push (end-of-life or markdown) life cycle, i2 ARM plans basics replenishment and fashion allocations in a single system. To ensure that the plans are executable, i2 ARM accounts for supply and capacity constraints to create feasible plans over time—every time. Also, the plans are created on a connected supply chain—from vendor to DC to store—in a single model.

***“I am delighted to have i2 as part of a team responsible for building exciting and innovative solutions that will propel Payless ShoeSource into a leadership position in the retail industry.”***

***—Darrel Pavelka***

***Senior Vice President, Merchandising, Distribution, Planning and Supply Chain  
Payless ShoeSource***

### ***Cycle Time Optimization***

i2 Cycle Time Optimization (CTO) accomplishes two key goals. First, it optimizes the procurement spend across the supplier base. Second, it minimizes the concept-to-store cycle time. This is enabled by:

- Establishing a collaborative design and product development process between merchants and the sourcing teams
- Enabling a pre-positioning of material and factory capacity to product that is synchronized with in-store dates
- Creating a differentiated flow of product to the store, driven by product and location segmentation

### ***Value-Driven Solution Engagement Models***

An i2 Total Merchandise Management engagement begins with a strategic diagnostic that establishes key objectives, recommends strategies, and establishes best practices, process, and performance management initiatives. From there, i2's results-focused engagement models, which are built on a continuous improvement framework, foster rapid and continued supply chain process innovation.

The traditional software approach incorporates an on-site build model that can include integration with existing ERP and SCM systems. The next step is a rapid on-boarding process, with a diagnostic for each business line. When the i2 Total Merchandise Management solutions are up and running, i2 provides support and maintenance as needed, while the customer runs day-to-day supply chain operations.

Customers can also leverage i2's leading-edge knowledge and domain expertise through i2 Operations Services. Companies outsource supply chain processes related to merchandise management, bundling the services and solutions that they need. i2 Operations Services takes inventive, outcome-based approaches to resolving merchandise management challenges—redesigning processes when necessary and implementing technology to reflect those process changes.



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