

Accessories Rising Star: The Planner

Many accessory firms continue to hope that sales growth will come from a hot item or super salesmanship. However, several industry leaders, as well as a few upstarts, are banking on a new strategy that has rapidly increased sales and market share.

What is their strategy? By using planning and merchandise allocation systems, they are better managing store inventory and assortment and clearly taking a proactive role in the planning and allocation of in-store assortments. With the blessing of store management, manufacturers are taking over a key role traditionally performed by the buyer, and are hiring and transferring personnel to handle this vital new function. The most successful wholesalers and retailers are rapidly creating "planning partnerships," alliances based on the mutual sharing of sales and inventory data, leading to improved customer service and stock turns. The role of the planner, both on the store and vendor side, is to customize assortments and create optimum inventory levels, by SKU and by store, for both one-time, fashion items and replenishable basic items. The two-fold mission: Provide the consumer with the right item, at the right time, at the right place, and maximize inventory turnover.

The planner has become an integral part of the sales team, is represented in major account meetings, and, increasingly, is spending time at the retailer's headquarters. One accessories executive acknowledged that a competitor increased sales with a major mass merchant by 40 percent last season by adding a planning function. He is now assigning several of his sales and administrative managers to manage the planning process with other accounts.

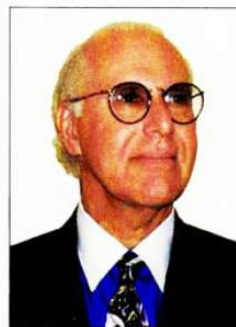
A recent survey conducted among accessory buyers and DMM's by Execu-Team Resources, showed that very few companies (only 35 percent) are currently seeking out and using the sales and inventory data that is available to them. Retailer dissatisfaction with the lack of attention paid to sales and inventory information was apparent across all trade channels—from upscale department and specialty stores to mass merchants.

Reductions in the number of buyers and their administrative staff, coupled with the profound impact of EDI technology, has created a big gap between the information "haves" and "have-nots." Stores continue to beef up the planner/distributor function, while the most progressive vendors have paralleled this by adding their own planners, who work both with their own internal sales staff and the planner/distributor at store headquarters.

Our own recruiting practice has confirmed that the accessories sales executives most in demand today are the ones who have developed the analytical skills to manage the assortment-planning process, whether store-driven or vendor-managed. As with other trends in retailing, the mass merchants have moved the fastest in using technology to improve their business. For example, Wal-Mart continues to preach the gospel of vendor-managed inventory, and is saying, to its vendor, in essence: "Here are your dollars, your space, your information. Now, you run your business." The vendors create the plan-o-grams and set the basic and fashion assortments. They are responsible for the results and the retailer requires that those results "better be good!" It's a true win-win partnership for both.

As one top accessories executive summarized, "Many companies are still operating under the premise that sales come from relationships and schmoozing. But now, it's really all about planning. We'll get the business if we make the buyer's job easier."

With power shifting to giant retailers whose buying staffs are shrinking, accessory firms who seize the opportunity to manage the planning process and handle it most effectively, will clearly become the most valuable players on any store's matrix.



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