![CentricSoftware™]

Spreadsheets vs. Retail Planning

Using spreadsheets to plan the most strategic
and costly elements of retail is a bad idea.
Is it time to make the switch?

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1. Is it the Right Time to Pivot from Spreadsheets to a Retail Planning Solution?

Spreadsheets are familiar tools that help brands and retailers stay organized as companies are launched and products are first brought to market. But life for brands and retailers is full of twists and turns, whether you're a small startup or an established enterprise.

At any given moment, companies must manage rapid growth or strategic downsizing; introduce new products or phase out categories; enter new markets or exit them, add or remove sales channels, store locations or selling space. At the same time, they may be facing vendor changes, new tariffs, rising material and labor costs, consumer behavior shifts or even a pandemic.

In the fast consumer goods sector, change is a constant—and a traditional spreadsheet approach can't keep up with the complexity or the pace. To reach new levels of efficiency, agility and growth, companies need an innovative, easy-to-use Retail Planning solution developed for the omni-channel era. Retail Planning enables companies to incorporate their existing processes and functionalities into a planning solution that best suits their needs and goals. It optimizes in-season planning and defines financial targets for each product while improving product margins and maximizing business performance. Configuring when to transition from spreadsheets to Retail Planning requires careful and strategic orchestration.

1. **How do you know if your company needs to move away from spreadsheets?**

2. **Is there an ideal time to switch from spreadsheets to a Retail Planning solution?**

3. **What challenges occur with continued use of spreadsheets?**

4. **Can you implement a Retail Planning solution without disrupting teams and collaboration?**

This guide answers these questions as well as other concerns. By understanding when it's time to expand beyond spreadsheets, your organization can fully utilize the benefits of Retail Planning. Effectively manage rapidly changing markets and ensure the right products are available at the right time and place.

2. The Simple Beauty of Spreadsheets

Spreadsheets have advantages and are ubiquitous for a reason. Companies may depend on them for years longer than they should because of these benefits:

Familiarity

Most people have worked with spreadsheets for years and understand how to navigate them easily. With familiar workflow environments comes a high level of comfort, as well as resistance to change— even when it's for the better.

Workable for reduced complexity

Small, infrequent changes in your core products are manageable in spreadsheets. So too are updates on materials and production timelines from a few global vendors.

Easy to use

Because they're easy to use, many times, spreadsheets remain the de facto method longer than they should in both small and large organizations.

Reliable for small teams

Does your company have a sales team of one? Are you partnered with a handful of vendors? Spreadsheets are an option for organizations with a small number of users, when producing few products or SKUs or distributing via few sales channels.

A very brief history of the spreadsheet

Dan Bricklin envisioned the first digital spreadsheets in 1978 while working on number-heavy assignments as a student at Harvard Business School. Bricklin collaborated with his former MIT classmate Bob Frankston to create VisiCalc ("visual calculator"), the original spreadsheet software.[1]

1. Business Insider, October 17, 2017. "Meet the two guys who invented the first-ever spreadsheet."

3. When Do Spreadsheets Cause Problems?

Spreadsheets become a problem when they start holding your business back. It's detrimental to your business when spreadsheets can't handle your company's scale, complexity and organizational challenges, or when they hinder your ability to adjust to market disruptions. Day-to-day processes become frustrating, even chaotic and confusing. Adapting to outside changes becomes impossible. Other problems, such as unmotivated employees and slow decision-making, are less obvious, but just as costly.

These are the primary drawbacks of spreadsheets that make them problematic as companies grow.

Unable to manage complexity

When dealing with rich product assortment, managing retail planning information in a spreadsheet can quickly become overwhelming. Take one product that is to be made in multiple colours and sizes and then sold through a number of channels, countries and external partners. The data grows exponentially – one spreadsheet can turn into hundreds. It becomes increasingly difficult to verify accurate data, define the right product assortments, and effectively collaborate with every partner at all levels. It also becomes impossible not to make mistakes.

When strategic vs operational goals are not aligned
When marketing departments didn't communicate promotions in time with the supply chain, stores experiencing a shortage of advertised products resulted in a loss of $40.2 billion.[2]
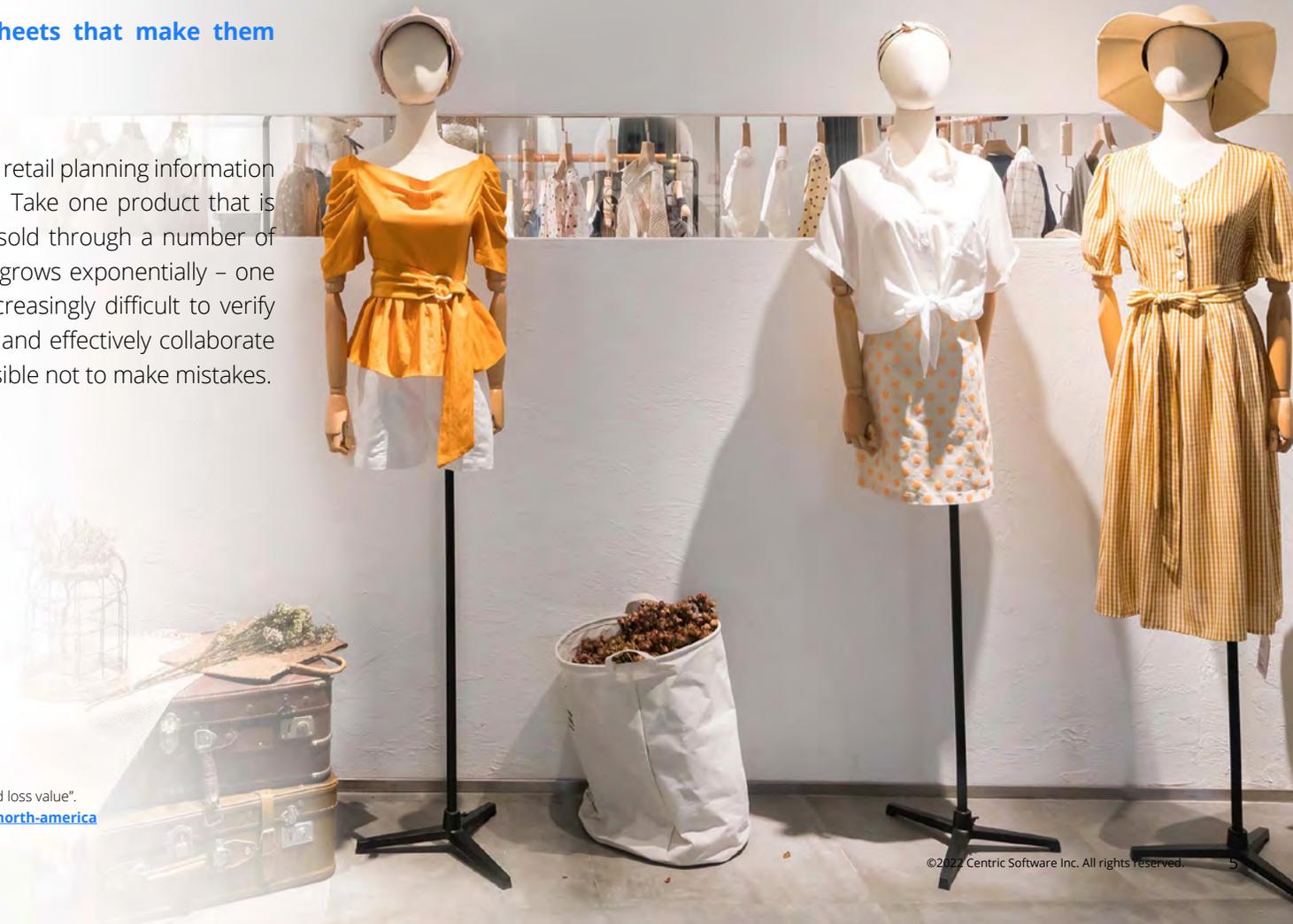
2. Statistica.com, January 13, 2022.
"Main causes of out-of-stock in the retail industry in North America in 2020, by estimated loss value".
www.statista.com/statistics/1199072/causes-of-out-of-stock-in-retail-industry-north-america

Decentralized data

Without a singular point of contact, data exists in multiple locations which is sometimes unable to be shared or synced. As a result, planning and merchandising teams may be using out-of-date data to try to forecast profits, margins or to accurately anticipate demand and ensure inventory stays at optimal levels. Instead, companies face selling out in one product and having an overstock in another. It becomes hugely challenging to know where to increase production, how to grow or be able to offer more product assortment without incurring huge losses.

Lack of transparency

Reduced transparency translates into limited or no ability to consolidate data for understanding product performance or customer preferences to make impactful change. Any existing data may be easily accessible, but teams have no knowledge of how to utilize it or introduce it into product development. Companies are then unable to react appropriately to consumer demands or a rapidly changing marketplace and miss the opportunity to ensure products have a high sell-through.

Manual data entry errors

Manually entering data into spreadsheets presents a host of problems for organizations, namely with the risk of human error and the time that could be spent on more essential tasks. When one aspect of planning or production goes wrong at any point in the process, it can have a "snowball effect". It may then become hugely difficult, and time consuming to find the error, correct it and recover from it. The accuracy of spreadsheet data is critical to forecasting and financial reporting.

"We have already achieved greater planning accuracy and responsiveness with Centric Retail Planning, leveraging our partnership we expect to further optimize our buying and distribution decisions."

Daniel Botey Garcia, Vice President Global Inventory Management at Guess

GUESS
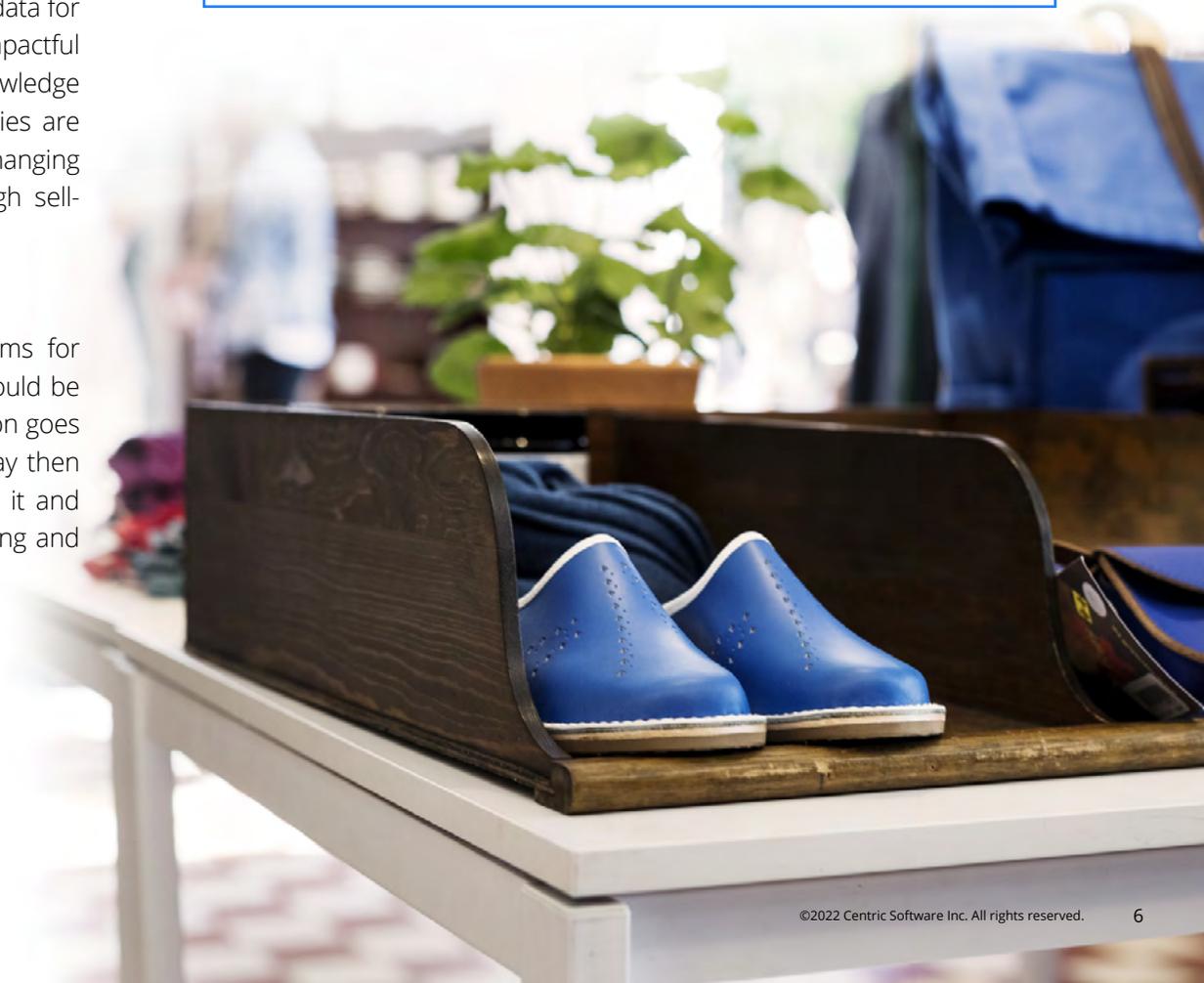
Clunky collaboration

For businesses with employees working from home, across departments, and even across the world, sharing spreadsheets (via email or the cloud) is unsustainable. Waiting for emails with the most up-to-date data is inefficient. You also risk needing essential details from team members who are out sick, on vacation or, worse, have left the company. Collaboration with vendors is also a challenge. What if they make changes without clarification? How do you ensure proprietary data isn't accidentally shared externally?

Top 10 signs your company has outgrown spreadsheets

Increasing data entry errors means teams are forecasting and signing off production based off error-riddle information.

Rising employee frustration due to complex work using outdated systems leads to a high turnover of staff.

Chronic duplication of tasks between multiple employees or teams resulting in lost time and more mistakes.

Regular miscommunication with international teams and external partners leading to production, deliveries or pricing errors.

Growing confusion about which information is up to date, leading to more errors.

Missed sales opportunities from not producing enough product or selling via the wrong channel or region.

Long planning processes delay launches and store deliveries costing businesses lost sales.

Producing too much of the wrong thing.

More missed goals and deadlines.

Decreasing profit margins and market response.

4. The Cost of Sticking With Spreadsheets Too Long

Inefficient omni-channel strategy

Selling online, in store and through click and collect is the likely business model for many companies today who want to remain relevant and competitive. Huge amounts of complex data are needed to ensure planning teams can understand how and where to allocate and replenish stock.

Compromised data security

Safeguarding your intellectual property is a real challenge when working with external partners and sending important details via an attached spreadsheet.

Inability to improve sustainability efforts

Today's consumers expect brands to minimize environmental harm. Overstock and production wastage are inevitable when companies cannot accurately forecast how much stock they will need. Data on spreadsheets is not a reliable method to drive sustainability.

Speed-to-market slowdowns

Large brands need agility to meet trends and get products to market at the right time and in the right location. This requires a level of global data visibility, analytics and reporting that spreadsheets can't manage.

Talent churn and hiring challenges

Employees want to work with agile tools that help them do their best work. Your best and brightest will look for other opportunities if you offer them outdated technology and convoluted processes.

Inadequate inventory supply

Spreadsheets lack the ability to create what-if scenarios or develop realistic sales estimates creating the potential for inconsistent or inadequate inventory supplies. Shelves could end up empty or stock isn't strategically placed where consumers will buy it.

A tarnished brand

Mistakes in data that need adjusting and correcting can lead to longer production times and missed deadlines meaning your products won't get to market fast enough. Empty shelves in a store or excessively long times to ship never looks good in the eyes of consumers.

Decreased profit margins

Slow speed times to market, little or no team collaboration, and inability to access key analytics result in reduced profit margins. Any increase in Cost of Goods Sold (COGS) puts brands and retailers at risk of meeting consumer demand and product line longevity.

5. Retail Planning – When Organisations Want To Go Beyond Problematic Spreadsheets

What is Retail Planning?

Retail Planning is a flexible, easy-to-use solution that goes beyond the limitations of spreadsheets to optimize financial, merchandise and in-season planning to enable organizations to improve their sell-through and maximize profits. Critical data is easily aligned across multiple departments for improved strategic decisions and operational execution.

Who uses Retail Planning?

Almost all consumer goods industries

A variety of industries, large and small, utilize Retail Planning to maximize business performance and optimize forecasting, including fashion, luxury, outdoor and specialty retail.

Complex product assortments

Companies with complex product assortments and product variations, a high number of SKUs and frequent new product introductions and product refreshes benefit from a Retail Planning solution. It turns huge amounts of complex data into actionable insights to drive growth.

Multiple stores

The higher the number of stores the more Retail Planning will revolutionize your work. Use granular data to quickly understand performance by store cluster all the way through to product category.

Sell through omni channels

Guarantee customers a seamless experience no matter how they buy from your business, whether online, click and collect or in-store. Retail Planning ensures store allocation, vendor replenishment and inventory levels are optimized.

6. Spreadsheets vs. Centric Retail Planning

Partnering with the right Retail Planning solution significantly impacts your business. But holding on to ineffective tools like spreadsheets or selecting non-innovative solutions can be detrimental to your company, products, brand reputation and bottom line.

Centric Software®, the market leader in innovation-led Product Lifecycle Management (PLM) is now expanding its end-to-end concept to consumer platform with our Retail Planning solution built by the world's foremost industry experts. Optimize financial, merchandise and in-season planning and drive product development and sourcing.

What are the benefits

- Gain visibility across the entire retail planning lifecycle
- Develop product plans for optimal product placement and sell-through
- Define financial targets for each channel and market
- Adjust product development & sourcing in-season
- Reduce cost of goods sold and excess product waste
- Optimize the omnichannel experience
- Accelerate time to market
- Boost collaboration and teamwork
- Drive data-driven decision making with artificial intelligence
- Benefit from a high performing, flexible and easy-to-use solution

What makes a Retail Planning and PLM integration so revolutionary?

A PLM and Retail Planning solution together drives digital transformation never seen before. In Retail Planning, establish collections and product assortment plans and structure, and in PLM, develop and source products into your selling strategy. Orchestrate complex global supply chains, respond to a rapidly changing markets and ensure compliance, sustainability and overall go to market success.

Allow teams across the business to see real plans vs actual plans to turn deep analytical data from planning and visual data from PLM into data-driven decision making and actionable insights to accelerate business performance.

Consider the capabilities

When looking to purchase a Retail Planning solution, there are several things to consider:

Dynamically configurable

Investing in a flexible, configurable and out-of-the-box technology with built-in industry best practices creates a high ROI within months. Flexibility supports the changing needs of an expanding business as the requirements for data-driven decision making evolve.

Cloud-native solution

Cloud-native solutions are easily scalable and provide businesses with the extra computing power that is required during planning peaks. Simplified integration with standard APIs and data enrichment capabilities keeps information up to date regardless of rapidly changing market trends.

Easy to use and implement

A Retail Planning solution should be a simple to use platform designed to turn complex data into actionable insights. A solution to make retail planning easy engages high user adoption rates leading to overall more productive and happier staff.

7. Choosing the Right Retail Planning Solution

Here are 5 questions to ask prospective Retail Planning providers:

1. Do they innovate often?

Your industry and business needs are constantly changing and growing. Does the Retail Planning provider innovate and update their offerings regularly?

2. How do they manage change and scale with your company?

Does the Retail Planning partner have the right solution for your business today—and tomorrow?

3. How knowledgeable are their teams?

Do their teams understand the challenges faced by remote working across time zones? Do they understand your industry and business needs? How many years' experience do they have in retail planning?

4. What's the implementation process?

A planned yet flexible implementation process has the greatest chance of adoption and rapid ROI. Does the Retail Planning provider have a totally out-of-the box configurable solution or is it highly customizable and slow to implement?

5. Does their Retail Planning solution integrate with ERP and PLM?

Retail Planning, PLM and ERP are backbone technologies that integrated together could offer a powerful new way of working. Does the Retail Planning provider offer an integration plan?

About Centric Software

From its headquarters in Silicon Valley, Centric Software® provides a Product Concept to Consumer Digital Transformation Platform for fashion, retail, footwear, luxury, outdoor, consumer electronics and consumer goods including cosmetics and personal care and food and beverage. Centric's flagship Product Lifecycle Management (PLM) platform, Centric PLM™, delivers enterprise-class merchandise planning, product development, sourcing, quality and product portfolio optimization innovations specifically for fast-moving consumer industries. Centric Visual Innovation Platform (CVIP) offers highly visual digital board experiences for collaboration and decision-making. Centric Retail Planning is an innovative, cloud-native solution powered by Armonica Retail S.R.L., that delivers an end-to-end retail planning process designed to maximize retail business performance. Centric Software pioneered mobility, introducing the first mobile apps for PLM, and is widely known for connectivity to dozens of other enterprise systems including ERP, DAM, PIM, e-com, planning and more as well as creative tools such as Adobe® Illustrator and a host of 3D CAD connectors. Centric's innovations are 100% market-driven with the highest user adoption rate and fastest time to value in the industry. All Centric innovations shorten time to market, boost product innovation and reduce costs.

Centric Software is majority-owned by Dassault Systèmes (Euronext Paris: #13065, DSY.PA), the world leader in 3D design software, 3D digital mock-up and PLM solutions.

Centric Software has received multiple industry awards and recognition, including being named by Red Herring to its Top 100 Global list in 2013, 2015 and 2016. Centric also received various excellence awards from Frost & Sullivan in 2012, 2016, 2018 and 2021.

Contact Centric

Interested in learning more about how to transition from spreadsheets to Centric Retail Planning, take your business to the next level and stay future-ready? Request a 1:1 demo.

CONTACT US

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