



CASE STUDY ON

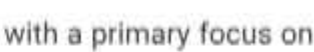
Sport Vision's Journey

To Optimized Retail Operations

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Overview

We successfully implemented a comprehensive merchandising solution for Sport Vision, with a primary focus on Merchandise Financial Planning (MFP). This integrated system enabled Sport Vision to optimize inventory management, improve demand forecasting, and refine product assortment, resulting in enhanced operational efficiency and increased customer satisfaction.

About Sport Vision

Sport Vision, founded in 1996 in Bijeljina, is the leading sport retailer in the Balkans, operating in 13 countries with headquarters in Belgrade, Serbia. The company excels in commerce, retail, and wholesale, prioritizing top talent and optimal working conditions. Its success is driven by professionalism, reliability, and innovation, values extended to all stakeholders. Sport Vision continues to expand its reach and impact in the sport industry, solidifying its position as a regional leader.



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Challenges

- Limited Collaboration Across Teams**
A lack of real-time data sharing between merchandising, finance, and supply chain teams caused delays in decision-making and inconsistencies in planning.
- Manual reporting & inconsistent pricing strategy**
Manual reporting increased error risks and hindered timely insights, while inaccurate cost tracking led to inconsistent pricing, reducing market competitiveness and profitability.
- Lack of Automation**
The absence of automation in key processes like replenishment and order management resulted in slower response times to changes in demand and market conditions.
- Vendor Management Challenges**
Inconsistent communication and data exchange with vendors affected lead times and inventory planning, making it harder to maintain optimal stock levels.
- Suboptimal Store Allocation**
Poor allocation of products to stores due to insufficient data insights caused inventory imbalances, with some stores overstocked while others experienced stockouts.
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- Slow Response to Market Changes**
The inability to quickly adjust plans based on real-time market changes or competitor actions hindered agility and responsiveness.
- Inefficient Markdown Management**
The inability to effectively manage markdowns led to missed opportunities for clearing old stock, impacting sales margins.

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Solutions We Provided

Retail Planning

- MFP (Merchandise Financial Planning)**
We implemented a comprehensive Merchandise Financial Planning (MFP) strategy for Sport Vision, aligning merchandising strategies with financial goals. This approach improved product availability, optimized assortments, increased profitability, and reduced operational costs. By enhancing demand forecasting and streamlining operations, we helped Sport Vision achieve a more efficient and effective retail environment.
- Open-to-Buy (OTB) Planning**
We have also implemented an Open-to-Buy (OTB) planning methodology for Sport Vision to manage inventory purchases within budget constraints. This approach aligns purchasing decisions with projected sales, inventory turnover, and planned markdowns. Key elements include sales forecasting, inventory planning, budget allocation, turnover rate management, in-season adjustments, and sell-through analysis. By preventing overstocking and understocking, OTB enhances operational efficiency and optimizes inventory flow, minimizing holding costs and improving purchasing decisions.
- Assortment Planning**
We implemented an Assortment Planning strategy for Sport Vision to determine the right mix of products to offer customers at the right time and in the right quantities. This approach balances inventory to meet demand while optimizing sales and profitability. By tailoring assortments to customer preferences and local demand, we ensured a compelling product offering that maximizes sales potential and minimizes excess inventory.

Wholesale Planning

At last, we have provided a comprehensive Wholesale Planning solution for Sport Vision to manage inventory, sales, and financial targets for bulk distribution. This approach ensures the right products are available at the right time, balancing supply and demand while optimizing costs and profitability. By integrating demand forecasting, order management, pricing strategies, and inventory control, we align purchasing decisions with business goals.

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Implementation Process

- Developing Financial Plan:** Created a detailed financial plan that establishes sales, margin, & inventory targets, leveraging historical data and future projections.
- Plan Adjustments:** Modified financial plans in response to real-time data & emerging market trends, addressing shifts in demand, inventory levels, or sales outcomes.
- Budget Allocation:** Distributed budgets across various product categories, regions, & sales channels to ensure that adequate financial resources are available to achieve objectives.
- Cross-Department Collaboration:** Fostered collaboration among merchandising, finance, & operations teams to ensure alignment and precision in the financial planning process.
- Incorporate Tax Considerations:** Integrated tax implications into the financial planning process to ensure compliance & accurate forecasting for each market or region.
- Review and Optimization:** Conducted regular reviews of MFP process to evaluate overall performance, making data-driven adjustments to enhance efficiency, profitability, & accuracy in future planning.
- Performance Monitoring:** Assessed sales, inventory levels, & overall financial performance against the established plan to identify trends & make Changes
- Collaboration with Sport Vision's Team:** Successful implementation & ongoing management of merchandising solution & effective collaboration with the Sport Vision

Navigating Implementation Challenges

- Data Cleaning:** Transitioning from Excel to a new merchandising system required extensive data cleaning to ensure data accuracy & consistency. This process was time-consuming and involved addressing inconsistencies, errors, and outdated information.
- Learning Curve:** Employees faced a steep learning curve with the new system, especially those unfamiliar with advanced merchandising tools. Understanding the features & optimizing usage took considerable time and effort.
- Data Migration Complexity:** Migrating large volumes of historical data from legacy systems into the new platform required meticulous planning to avoid data loss, errors, or misalignment between old and new systems.
- User Interface Familiarity:** Employees accustomed to simpler interfaces like Excel found the more complex and feature-rich interface of the new system overwhelming, resulting in a slower transition.
- Budget Constraints:** The implementation faced challenges in adhering to the budget due to unforeseen customization needs & extended training periods, leading to resource allocation issues.
- Change Management:** Managing the change process across departments required clear communication, planning, and alignment. Ensuring that everyone understood the new processes, roles, and benefits was essential for minimizing disruption to daily operations.

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Results And Benefits

Quantitative & Qualitative Benefits

- Boosted Sales**
Enhanced Inventory Management & Precise Demand Forecasting Improved Product Availability, Leading Significant Sales Growth.
- Lower Inventory Costs**
Improved Management Practices Reduced Instances Of Overstocking & Stockouts, Resulting In Decreased Carrying Costs & Minimized Waste.
- Enhanced Profitability**
Cost Control Measures & Optimized Resource Allocation Led To Improved Profit Margins.
- Streamlined Operations**
Automation Of Tasks And Streamlined Processes Contributed To Greater Operational Efficiency,& Reduced Manual Workload
- Quicker Market Response**
The New System Facilitated Faster Decision-Making & Expedited Product Launches, Enhanced Thier Ability To Respond Evolving Market Trends.

Improvements In Efficiency Achieved

- Streamlined Processes**
Enhanced Workflows And Coordination Minimized Delays, Accelerating Operational Execution.
- Greater Data Depth**
The System Provides Enhanced Data Granularity, Allowing Analysis Of Performance Metrics By Trends, Products, Or Regions.
- Improved Forecast Precision**
Advanced Forecasting Tools Increased The Accuracy Of Demand Predictions, Leading To More Effective Planning.
- Reduced Manual Errors**
Automation Minimized Errors From Manual Data Entry
- Optimized Resource Utilization**
Enhanced Planning Maximized Resource Use, Reducing Waste And Boosting Productivity.

Conclusion

By implementing this solution, Sport Vision experienced significant improvements in its operational efficiency, gaining a competitive advantage in the retail market. The advanced technologies and streamlined processes not only optimized inventory management but also reduced operational costs, & increased overall sales. These advancements positioned Sport Vision as a leader in the industry, setting new standards for innovation & customer service.

