

Success Story:

Quickborn Consulting implements Oracle Retail Markdown Optimization solution in a record time of 4 months at International Fashion Retailer

Quickborn Consulting has successfully implemented Oracle Retail Clearance Optimization Engine at an international fashion retailer in a record time of 4 months. This implementation has enabled the retailer to take more timely markdowns at a more detailed level resulting in better turnover and increased margins, while not compromising business process efficiency. Oracle Retail Clearance Optimization Engine is part of the Oracle Retail Markdown Optimization application, within the Oracle Retail Merchandise Planning and Optimization solution set.

Objective of the project

The customer needed a solution that would help them better manage their markdown spend and increase their overall profitability by taking markdowns in a more timely, systematic and analytical manner. They also required a solution that would enable applying different price points to different countries as well as using a multiple currency approach. As such the customer chose to implement the Oracle Retail Clearance Optimization Engine. This solution provided optimal recommendations for markdown candidates and their subsequent pricing based upon their selling patterns and history as well as possible inventory risk at the end of the selling period, all the while maximizing profitability over the entire product lifecycle.

Scope of the project

The project consisted of implementing Oracle Retail Clearance Optimization Engine in the retailer's stores throughout Europe. The first phase of the project took place in three main retail trading areas in Europe: Germany, Netherlands and Belgium.

The project scope also covered environment hosting for Development, Training, Test and Production environments provided by Quickborn Consulting, as well as services for development, integration and post go-live support

Challenges

The retailer manages their business with an additional non-standard hierarchy that is deemed very important for their business requirements. This additional hierarchy of Seasonality as well as Collection Months exists next to the standard Calendar hierarchy. Quickborn Consulting was able to implement the Clearance Optimization Engine with this additional hierarchy requirement to properly address the business needs of the client in the Oracle Retail Merchandise Planning and Optimization tool. Additionally, Quickborn Consulting implemented the solution in a heterogeneous IT environment integrated with legacy and non-Oracle external systems.

Results

Quickborn Consulting implemented Oracle Retail Clearance Optimization Engine in a record time resulting in a final solution where both the markdown recommendations and the ease of usage of the tool were positively received by the end users. Implementing the tool in October 2012, halfway into the Fall/Winter Selling season, the customer saw an improvement in performance in terms of increases in product turnover, margins and profitability. This is due to the fact that the new solution enables the retailer to do more timely markdowns and to complete their markdowns at lower (more detailed) levels of their merchandise and location hierarchies that they were previously not able to do.

Moreover, the hosting of the solution provided by Quickborn frees up the retailer's resources from being required to do internal hosting and maintenance.

The customer subsequently rolled out Oracle Retail Clearance Optimization Engine to all of its stores and formats (countries). Following the successful solution implementation at European locations, Quickborn implemented the solution also in the customer's retail stores in North America.