

JCB Partners was engaged by a leading education company that serves the pre-kindergarten through 12th grade market with innovative and value-added instructional solutions that address the broad spectrum of educational needs, from basic school supplies to standards-based curriculum solutions. This client is the largest provider of supplemental educational products and equipment to K-12 schools in North America with over 75,000 items and almost 20 brands.

//WE LISTEN

In its quest to become the top distributor of school supplies in North America, our client has aggressively expanded through acquisition. This has led to the desired market share gains but also added tremendous complexity to internal operations. With so many products, the ability to accurately plan metrics such as merchandise sales, margins, profits, and inventory levels across the various product categories is vital.

This client was managing its merchandise forecasting process using spreadsheets. However, as the number of products has grown the company struggled in utilizing these forecast spreadsheets for a myriad of reasons, including:

- **Limited spreadsheet capabilities.** As forecasts have included more and more data and calculations, spreadsheets have taken longer and longer to process and save – if they work at all.
- **Time-consuming and manual aggregation.** Spreadsheets do not have centralized workflow, so employees spent hours manually aggregating data from dozens of disparate files to do merchandise planning. A time-consuming, costly and error prone process.
- **Ownership, accountability, and security.** With so many budgets – and no workflow – it became quite complicated to understand who was responsible for what budget and who to hold accountable for both forecast accuracy and performance against budget.

Our client realized that performance was being negatively impacted by these issues – both in terms of the cost and time associated with the budgeting and forecasting process itself, and more importantly in the ability to manage the overall sales, margins, and profitability of the company. So the company embarked on a project – led by the Merchandising and Marketing teams – to improve its merchandise forecasting process.

//WE SOLVE

Utilizing IBM software – Cognos TM1 – JCB provided both deep expertise in the retail industry and strong technical and project management skills for the implementation and development of the software.

JCB partnered with a strategic team of IT and Merchandising resources to build a TM1 forecasting solution that enables the Marketing and Merchandising teams to work collaboratively on accurate forecast building, with minimal manual intervention. The forecasting process begins with marketing team members entering a forecast, using a TM1 Excel-integrated forecasting template that was created specifically for entry of their respective marketing forecast. The TM1 solution aggregates all the marketing forecasts, performing required calculations, resulting in an aggregated marketing forecast for the merchandising team to then review and adjust.

//WE SOLVE Continued

The Merchandising team, leveraging specific TM1 Excel-integrated forecasting template, adjusts the marketing forecast where appropriate, driving out a final go-to-market forecast. With this solution, JCB Partners has addressed each of its key forecasting challenges for our client:

- **Overcome the challenges experienced with Excel** by leveraging Excel only for data input and viewing of results. TM1 is now doing the heavy lifting of data aggregation and calculations, providing dynamic spreadsheets and eliminating the time wasted by Excel issues.
- **The real time aggregation of data within TM1** eliminates manual aggregation of forecasts, saving time and money, reducing human errors, and improving overall forecast accuracy.
- **Ownership and accountability are tracked** automatically in the TM1 system, providing the ability to see the status of each individual forecast in a form that can be audited and minimizing delays in the overall forecasting process.
- **The product hierarchies are standardized** in the TM1 model, reducing confusion and driving a single version of the truth.

//WE DELIVER

The time consumed by the forecasting process has been reduced by as much as 75%. This time savings represents a substantial direct cost savings, but also enables indirect benefits from the incremental productivity of the users of the solution.

More important than the tangible time and cost savings, though, is the benefit derived from being able to make better merchandising decisions regarding key business drivers such as inventory turnover, margin, and customer satisfaction and loyalty. Eliminating the manual process that had been in place, has reduced errors, improved the accuracy of forecasts and ultimately increased confidence in the data.

//THE JCB DIFFERENCE

At JCB, we think strategically, from start to finish, determining the most effective and sustainable way to utilize technology and resources to drive business forward. We start small, helping companies realize results quickly while establishing and embracing a culture of analytics. And we accelerate systematically, continually assessing the larger picture as we apply learning's and progress logically.

This is the JCB difference. By working hand-in-hand with our clients employees across Marketing, Merchandising, and Information Technology, JCB was able to deliver a solution that solves the immediate forecasting issues, and sets the stage for future performance improvements.

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