



Helzberg Diamonds Engages in Planning and Process Transformation

In accepting the proposal of new technology, the retailer has renewed clarity in forecasting, allocation and replenishment

For more than a century, Helzberg Diamonds has been devoted to celebrating everyday moments and important milestones alike, with a mission to make people feel loved. The first Helzberg Jewelry Store opened its doors in 1915 on Kansas City's Minnesota Avenue. Since then, the retailer has grown into a family of more than 170 stores across the nation, creating a legacy "built on trust, knowledge and high-quality diamonds at an incredible price."

As evidence of this legacy, the love Barnett Helzberg Jr. felt for his now-wife Shirley is commemorated with every diamond purchase. In the late 1960s when he proposed, Helzberg

thought to himself, "Everyone should feel loved like this." He was inspired to create the "I AM LOVED" lapel pin in response, which is reflected in the company's branding still today.

While legacy – especially a lasting love between two people – is important to celebrate, legacy technology sometimes doesn't stand the test of time.

A clear-cut need for planning support

Before starting the project with Columbus Consulting, Helzberg Diamonds was struggling to leverage its existing systems for demand planning, allocation and replenishment to fit its unique business needs. Additionally, when it came to merchandise financial planning, Helzberg relied on a trusted vendor that was moving to open source. It became clear that the current systems made it too difficult to

manage exceptions using the technology Helzberg had in place. The jewelry retailer then realized there were other vendors with advanced functionalities that it wasn't yet taking advantage of. All of this contributed to the need to find a replacement system to more holistically meet the company's needs.



In addition to the limitations of the planning system, Helzberg's existing merchandise planning system did not allow for top-down targets or a link to strategic financial targets. Helzberg's goal in its search for new technology was also to increase inventory turnover and forecasting accuracy.

As the scope of Helzberg's needs broadened and the complexity of the selection and implementation grew in size, scope and risk, Helzberg recognized that additional bandwidth and outside expertise would be in its best interest.

Inspecting solutions with the support of a retail consultant

Helzberg Diamonds partnered with Columbus Consulting International for the selection and implementation of its new planning system.

"Columbus Consulting is a well-known name in the retail consulting space. Because of its reputation, and bolstered by the recommendation of a number of my peers, it was a no-brainer to invite Columbus Consulting to assist us through this process," said Nathan Gray, vice president planning and allocation, Helzberg Diamonds.

Helzberg recognized the vendor-agnostic way that Columbus Consulting operates, and had confidence that the ideal solution would be chosen because of this. Columbus Consulting performed a comprehensive view of the marketplace based on Helzberg's requirements, whittling down the potential vendors to a list of 10. From there, Columbus Consulting assisted with vendor scorecards, further trimming the list to four solutions providers with which to schedule demos.

"The scorecards really helped us to keep track of the strengths of one vendor over another, helping us see quite clearly where a potential vendor couldn't meet our needs," said Gray.

Columbus Consulting and Helzberg unanimously agreed that Oracle's Retail Merchandising Financial Planning and Demand Forecasting, Allocation/Replenishment, and Assortment Planning solutions would be the best option. From that point, Columbus Consulting completed the business process design, data translation and validation, and change management activities.

Another central piece of Columbus Consulting's role was user acceptance testing (UAT) and training. "I can't tell you how many times I look at this training book," said Gray. "It's well documented, comprehensive, and easy to follow. What Columbus Consulting has given us is the full package. It's immeasurable what that piece of the project has meant."

Project Scope

- Vendor Selection – Implementation of a new planning system capable of managing a wider range of critical business needs
- Inventory and Forecasting – Incorporation of exception management and a simplified product hierarchy to boost efficiency and demand planning
- New Business Planning Processes – Introduction of new change management strategies in the wake of COVID-19, and a roadmap for engaging in future sales, marketing and organizational opportunities efficiently

Reflecting on the benefits of a process-focused initiative

In implementing the Oracle systems, Helzberg now has an efficient long-range planning process and calendar for merchandise planning, demand planning, and allocation/replenishment, and assortment planning. The retailer is taking advantage of machine learning science for assortment and demand planning, and is better able to measure forecast accuracy. Before implementing the new planning system, Helzberg's forecasting was 65% accurate – the retailer expects this to be improved tremendously, benefitting gross margins and decreasing the amount of markdowns and waste.

"What we're trying to do is integrate science and data into our decision making, having that inform and override any old-school gut decisions we may have previously relied on," said Gray.

The new technology Columbus Consulting helped to select and implement has afforded Helzberg Diamonds the ability to move to exception management to better manage SKUs. Through the project, Helzberg has also restructured and simplified its product hierarchy – previously the retailer had 175 classes and 500 subclasses it was planning through, but now it only plans for 90 classes, and no longer plans at the sub-class level for the reduced number of subclasses.



To further boost efficiency, Columbus Consulting assisted in reducing and developing new consumer-facing product attributes, going from approximately 180 attributes previously to a more streamlined 50. Columbus Consulting also worked with the jewelry retailer to cluster store locations in new ways, based on what sells where, with specific product attributes instead of simple demographic insights. The assortment planning piece of the project is in its final stages, and will ensure that Helzberg Diamonds will have the right merchandise in the right stores to meet diamond-shoppers' needs.

"I've never been part of a large system implementation before," said Gray. "Having Columbus Consulting to help navigate this has been a huge help. With a big project comes big changes, and those have to be managed."

"Frequently with change management, we support our clients with organizational work, too," said Stuart Leighty, partner, Columbus Consulting. "That was not the case here. We addressed structural things, like the product

hierarchies and attributes, but our change-management support focused more around process, while also ensuring cross-functional linkages were established. This new process discipline will have the biggest impact culturally for Helzberg Diamonds moving forward.”

The most important aspect of the project that will continue to reap benefits for Helzberg Diamonds is the process work Columbus Consulting put into place. What started as a planning system implementation turned into a company-wide business planning process with a clear roadmap that will reach marketing, store operations, finance and merchandising.

“You can have the greatest systems in the world, but if you don’t have a good process to work through everything, you don’t really have much of anything,” said Gray. “Columbus Consulting helped us put together a really good planning process, which we know now is critically important before building a system. Unfortunately, COVID-19 threw a big wrench into that, but it’s now what we’re going to be governed by. This is the year we’re going to hold tight to it.”

In Summary:

- After Helzberg realized its existing systems were decreasing efficiency and profitability, it began the search for a replacement system capable of holistically meeting the company’s needs.
- Recognizing that Columbus Consulting was vendor-agnostic, Helzberg turned to the partners to locate the best vendor for its needs, and its budget.
- The new business planning system and change management strategies put in place by the Columbus Consulting team have allowed Helzberg to implement machine learning for demand forecasting and transference, stronger exception management tactics, and a simplified product hierarchy to more consistently achieve organizational goals moving forward.



columbusconsulting

Phone: 614-944-5190
Email: info@columbusconsulting.com
follow us on LinkedIn

4200 Regent Street
Suite 200
Columbus, OH
43219

Columbus Consulting partners with our clients to provide superior, experienced and relevant consumer centric consulting services that successfully deliver solutions, and contribute to our client's achievement of their strategic goals. Founded in 2001, our expertise bridges functional & organization silos through Business Strategy and Transformation Initiatives across Unified Commerce, Planning & Merchandising, Sourcing & Supply, Inventory Management, Finance & Operations, Data & Analytics. To learn more, visit www.columbusconsulting.com