



BETTER MARGINS THROUGH BETTER ALLOCATIONS: SPARC'S INVENTORY MANAGEMENT TRANSFORMATION

SPARC Group LLC ("SPARC Group") is a fashion industry leader that designs, sources, manufactures, distributes and markets women's, men's and kids apparel and accessories in key markets worldwide across iconic brands **Aéropostale, Brooks Brothers, Eddie Bauer, Forever 21, Lucky Brand, Nautica and Reebok**. Since 2017, SPARC Group has been successfully strengthening the long-term value of brands through leadership teams who understand the DNA of each brand and are dedicated to exceeding expectations across every touchpoint in the customer journey. In 2022, the company sought the expertise of **Columbus Consulting** to assist them in transforming Inventory Management across the brands onto **Blue Yonder Allocation**.



According to **Lynnn Larrison, Senior Director Merchandise Operations and Master Data**, "SPARC sought to standardize our allocation tool as well as our allocation process across all SPARC brands. In addition to standardizing the tool and the process we needed to also recognize each brand's individual differences and meet their needs within a standard process and tool. We chose Columbus because of their expertise with the Blue Yonder allocation system and their commitment to keeping the tool flexible to the needs of each brand with our overall goal in mind."

As a portfolio company, SPARC Group manages a spectrum of brands with varying consumers, design needs and production and merchandising cycles. The merchandise ranges from fast fashion with continuous flow of new products, to designer/floor-set launch products, and basics/longer life core products. **SPARC's goal was to implement a common technology solution tailored to the unique requirements across the categories and brands.** They sought to evolve beyond their older, more manual systems and processes.

Goals they sought to achieve with this transformation included:

- Improve forecast accuracy and inventory productivity through optimized allocation and replenishment resulting in higher full price selling and, ultimately, higher margins
- Increase visibility and transparency
- Improve talent productivity through system automation and consistency
- Deliver a global SPARC template tailored to unique needs of each business
- Provide SPARC with the ability to cross pollinate talent across portfolio brands by utilizing the same allocation platform/system

According to SPARC executive and project lead Sid Hamburger, “Allocation, being one of the most critical processes to standardize across brands, was an urgent priority for SPARC. We felt by applying one team across multiple brands, we could standardize data, calculations, methods and important variables....all in the spirit of driving efficiency, topline growth (by improving our ability to have the right inventory in the right locations), and containing implementation costs. We were concerned to have consistency across brands even though back end systems, hierarchies and data varied from brand to brand. We also wanted to optimize our approach and ensure forward strategic thinking was applied (e.g. an ability to land size optimization intelligence in the allocation platform) even if that did not currently exist at a particular brand. The Columbus team brought strong business and technology acumen, sense of urgency, strategic vision to the effort and completed the multi brand program on time and under budget without skipping a beat. In hindsight, their strategic, forward looking vision has paid dividends with size optimization projects which are just beginning.” In addition, **Hamburger further commented**, “Columbus team members are responsive and responsible. They know retail Merchandise, Planning & Allocation like the back of their hands and are a valuable asset to our SPARC business and delivery team.”





Columbus Consulting, leaders in retail inventory management, strategy and systems, quickly assembled a best in class team to deliver the allocation program across six of the brands. Columbus assessed each brand and built a roadmap for the successful delivery of the project.

Columbus managed the program executing 6 parallel brand workstreams, establishing a global program team structure, engaging with SPARC IT and brand leadership throughout.

Columbus **designed the system to ensure flexibility** was built into the system so that SPARC could adjust for customer, trend or unique business needs with **adaptable logic**.

According to the Columbus Client Partner and Program Manager, Alain Krakirian, “Like many portfolio companies, SPARC was at a pivotal point in their retail transformation. Their growth and brand expansion required them to streamline their systems and processes to begin to realize profitable synergy. Columbus Consulting has successfully ushered in this type of transformation many times and knows the challenges and obstacles associated with a project of this scale. Our team of retail practitioners has the skill-sets and experience necessary to not only audit, assess, recommend and implement solutions, but to build in scalability and agility for future growth and needs.”

Overall, Columbus delivered:

- Business process and best practices
- Fully-integrated and automated allocation platform
- Testing and quality assurance
- Change management and training

Furthermore, Columbus was challenged to **execute the full scope of the project considering brand-specific functionalities such as:**

- Size and Pack optimization
- Store space considerations
- Multiple distribution centers
- Allocation automation
- Analytics for prioritizing allocations
- Reporting

Summary/Results

Within 18 months, Columbus Consulting was able to deliver a fully configured Blue Yonder allocation platform across the SPARC Group brands; namely: Aéropostale, Brooks Brothers, Forever 21, Lucky Brand, Nautica and Reebok. Each brand required differentiated attention and a deep engagement with the business teams to fully understand the assortments, cycles, and business KPIs.

Columbus successfully built optimized allocation logic and functionality that enabled each brand to leverage the platform as needed to address their own business challenges.

SPARC Brand Executive Karen Walter commented on her experience with this project, saying: “aligning cross functional teams across multiple brands has paid dividends in our ability to manage inventory by location. We have an improved ability to share best practices across brands because of the standardization. Columbus is always available to answer questions and/or step in a moment’s notice when needed.”

SPARC’s Larrison further commented, “The Columbus team was paramount to the success of the allocation project at SPARC. The team understood the overall goal of the project, was able to articulate the new allocation process to each of the different allocation teams, and built a process in Blue Yonder that both supported each team’s individual needs and the SPARC goals of a better allocation outcome. Columbus listened to the needs of each group and using single allocation methods were able to standardize the allocation system and process across all brands as well as give the teams flexibility to meet their own brand individual needs. Recently the teams have been able to leverage the knowledge and the best practices across brands to further streamline their own allocations. They meet to discuss how they are using the tool and if there are other ways to better meet their needs that may be currently in use in other brands. Since the tool and the methods are standard across all seven brands they are able to easily understand and incorporate these ideas and best practices easily in their own brand.”





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ABOUT COLUMBUS CONSULTING

Columbus Consulting delivers solutions that drive true value and have been transforming the retail and CPG industries for over two decades. We are a retail consulting company of industry experts. Our approach is simple, if you do it, we do it. We are more than consultants; we are experienced practitioners who actually sat in our clients' seats. We understand the challenges, know what questions to ask and deliver the right solutions. Columbus offers a unique, consumer-centric approach with an end-to-end perspective that bridges functional & organization silos from strategy to execution. Our specialties include: unified commerce, merchandising & category management, planning & inventory management, sourcing & supply chain, data & analytics, accounting, finance & operations, people & organization and information technology. Let us know how we can help you. To learn more, visit COLUMBUSCONSULTING.COM