

Mi9 Business Case

Optimizing Performance Through
Modern Merchandising

In previous decades, a retailer's Merchandising System was seen as a necessary evil – monolithic, highly customized, difficult to work with, yet extremely important as it served as the heart of all retail operations. Effectively keeping pace with the rapidly changing tastes and desires of today's consumers requires a more modern and scientific approach. While the key Merchandising functions are still at the heart of every retailer's business, technology has evolved and eliminated many constraints of legacy Merchandising. Successful retailers today are relying on merchandising platforms that manage master data, facilitate purchasing and inventory management operations, and aggregate and analyze granular level data from multiple sources to support optimal data driven decisions. Those organizations are increasingly utilizing comprehensive merchandising platforms to create, manage, and process large amounts of foundational and transactional data, thereby increasing their business agility and driving efficiency through automation and centralization.

Research consisting of in-depth interviews with customers found that Mi9 solutions addressed these challenges and delivered measurable results with a high return on investment along three critical aspects of merchandising. This document highlights several specific benefits selected from a larger set to illustrate how Mi9 Merchandise Management benefits leading retailers.

Enables growth through standardized and streamlined planning and purchasing

Mi9 automates planning, purchasing, and merchandising functions enabling organizations to grow operations profitably.

Customers interviewed reported:



↑ 10%

INCREASE in revenue growth attributable to Mi9

"We have had years of double-digit growth that would not have been possible without Mi9."

- Merchandising Executive,
Broad Category Retailer

Reduces the effort required to manage pricing

Mi9's Merchandise Management pricing capabilities enable pricing managers to efficiently execute pricing changes by enabling a single central point of entry to be propagated across systems, stores, and channels.

Customers interviewed reported:



↑ 20%

INCREASE in pricing administration efficiency

"We have seen significant labor savings in our pricing efforts while improving accuracy since implementing Mi9."

- Program Executive,
Specialty Retailer

Reduces the effort required to conduct invoice matching

Reduce the effort required by accounts payable to reconcile differences between purchase orders and receipts.

Customers interviewed reported:



↑ 30%

INCREASE in accounts payable invoice matching efficiency

"Implementing Mi9 Merchandise Management has enabled our Accounts Payable resources to conduct invoice matching for roughly 3 times as many stores as they could previously."

- Senior Executive,
Hard Line Retailer

IN SUMMARY

The value of best in class comprehensive retail software solutions such as Mi9 Merchandise Management are immediate and demonstrable. Retailers striving to grow revenue while improving the efficacy and efficiency of their operations have seen significant improvements in key business metrics by implementing Mi9 Merchandise Management solutions.

A sample retailer with roughly \$2B in revenue, \$130M in inventory on hand, and 50% gross margin can realize significant financial benefits from an investment in a proven Mi9 Merchandise Management solution. For this type of organization, annual benefits can exceed \$1.4M per year with a 289% 5-year ROI and a payback period of 8.5 months. The primary drivers of these returns are the 3 key benefits shown in the following graphic.

Measurable Value

Grow Revenue	Increase Productivity	Increase Productivity
Through automating planning, purchasing, and merchandising	By enabling pricing to managed and maintained centrally	By streamlining reconciliation of purchase orders and receipts
\$940K / year	\$248K / year	\$193K / year

Based on independent interviews by Hobson & Company with Mi9 Customers.

Contact a member of the Mi9 team for your personalized ROI analysis detailing the applicable Mi9 sources of value to your organization.

About Mi9

Mi9 enables the world's leading retailers to automate and optimize their entire Plan-to-Sell process, from planning to managing to selling merchandise in-store, online, and on any device. Our corporate retail systems facilitate better demand forecasting, planning, and merchandise management; our point-of-purchase systems increase revenue and customer engagement; and our analytics tools speed time to insight. Mi9 cloud-based solutions incorporate the latest innovations in AI and machine learning to boost system intelligence, automate manual routines, and deliver exception-based workflows. Mi9 Retail is committed to helping retailers on their paths to success, so they can maximize revenue, increase margins, and reduce costs.

Mi9 Retail offers solutions for most retail verticals that include merchandising, store operations, customer engagement, e-commerce, and business analytics. To learn more, visit www.mi9retail.com.

Mi9 Solutions

Mi9 customers interviewed during this project have implemented a broad range of selected Mi9 solutions including:

- **Merchandise Financial Planning (MFP):** Set strategic financial targets in a flexible, powerful user interface that supports advanced demand forecasting, multiple plan types, scenario planning, and version control.
- **Assortment Planning:** Create a holistic, omni-channel assortments on a continuous basis driving localized assortments and optimizing purchases to maximize margin.
- **Allocation:** Create demand-based, forward-looking strategic plans to effectively manage products, while adapting to shifts and adjusting allocations in real-time.
- **Demand Forecasting & Replenishment:** Automated sales forecasting and inventory optimization supported by advanced machine learning algorithms, accounting for seasonality, causal events, and shifts in trend.
- **Promotion Management, Price & Markdown:** Manage product lifecycle pricing from initial price setup through in-season promotions and end-of life price markdowns, while evaluating financial impact and reacting quickly to market conditions.
- **Merchandise Management:** Provides a core foundation for merchandise data management, planning, and inventory optimization built on an analytics platform to provide robust data analysis and integration.

About Hobson & Company

Hobson & Company helps technology vendors and purchasers uncover, quantify and validate the key sources of value driving the adoption of new and emerging technologies. Our focus on robust validation has helped many technology purchasers more objectively evaluate the underlying business case of a new technology, while better understanding which vendors best deliver against the key value drivers. Our well researched, yet easy to use ROI and TCO tools have also helped many technology companies better position and justify their unique value proposition. For more information, please visit www.hobsonco.com.

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