



The Power of a Profitable Line-up

Hello! My name is Wayne McMahon. I have been involved in financial and operational consulting with retailers for over 30 years.

During that period, a common trait, to successful and well-managed retailers, has been observed. This common characteristic is the development and use of a strong, organized product-merchandising lineup.

A powerful line-up means the difference between mediocrity and a winning year for not only the Yankees and the Red Sox, but also for the furniture retailer.

Most successful furniture dealers have put a great deal of thought and effort into the development of an effective assortment planning system and the development of a product line-up for their stores. They have determined the retail price points, which are attractive to their customers in their specific markets, so that greater sales are being achieved.

A powerful line-up provides enormous assistance in maintaining those “just right” stocking levels, which mean that you are not either over stocked or under stocked, most especially with your best selling merchandise.

A powerful line-up improves your merchandising, by promoting and improving your understanding of what your customers really want from your store.

A powerful line-up makes your buying easier and more effective, so that it is no longer a guessing game.

How do you now do your line-up planning?

- You may possibly use a planning board, which can be a good manual system, but lacks the integration with your current inventory data.
- You may have photos or catalog glossies of your entire line-up fixed to the walls of your war room.
- Possibly you are using a “Red Book”, which again is a good method, but exceptionally difficult to maintain, without an Access report, providing a lineup analysis.
- Probably most common is the “seat of the pants” approach, with no real planning, but merely a “best guess” method, which has the potential for all kinds of issues.



So what is the best way to do your line-up planning?

- First, a category-by-category analysis, with the ability to look at a single category and the entire operation.
- Within each category, you need to be able to view the specific product type, for example sofa or chair.
- Within each category and product type, the product breakdown, by price point, is essential.
- You should be able to compare your actual inventory against the optimal levels, providing the long and/or short data by price point.
- The selling data, from your bestseller analysis, should be easily compared to your price points.

PROFIT*consulting* has now developed the PROFIT*lineup* reporting tool, which can provide you with the solution that enables you to do your line-up planning, in an organized and effective manner.

PROFIT*lineup* is a tool, which assists retailers in determining the merchandise that should be purchased for a certain category by price point.

PROFIT*lineup* is an inventory management tool that assists product managers in quickly identifying price point gaps in their in-stock lineup.

PROFIT*lineup*, in conjunction with many reports in PROFIT*windows*, can be a powerful tool to improve, maintain and manage your stock levels.

So, how does PROFIT*lineup* work?

PROFIT*lineup* links automatically with PROFIT*windows*, providing very flexible reporting selections. You can choose options to produce the line-up report, in the manner, which is most beneficial to your information needs.

- PROFIT*lineup* can be used to run select categories and select styles (where, for example style might mean a sofa or chair). It does not have to be run for all categories and/or styles, but for any desired selection. This provides the user with the most flexibility in producing the analysis, which best meets, the particular needs.
- The report, in summary or detail, provides you with the shortages and/or overages of your actual inventory levels, as compared to the ideal levels.



- You can also select your desired report by buildings, categories, styles, vendors and price points, either singly or in any preferred combination.
- *PROFITlineup* compares items in the *PROFITwindows* location file (that are not reserved or damaged), against an Excel spreadsheet. The spreadsheet contains the retailers' ideal category, style, price point, and quantity of merchandise the retailer believes should be in stock and on display per location. The ideal spreadsheet is used to compare these "ideal" quantities against the actual quantities that are currently in stock. The ideal spreadsheet may contain as many or as few categories and styles as you wish, dependent on business analysis needs.

This important new merchandising tool has now been added to the *PROFITconsulting* suite of inventory management tools.

Now, you have this line-up tool available to compliment the other key inventory management reports and techniques, which are so vital to the profitability of your retail furniture store.

For information on how you can implement *PROFITlineup* in your business, please contact Wayne McMahon at 800-888-5564 or by e-mail – wayne@profitsystems.net.