

Trust and Value

**MAXIMIZE YOUR
SUCCESS**



The use of retail best practices and knowledge gained by Galeria Kaufhof in the use of planning solutions

Galeria Kaufhof

"Galeria Kaufhof" - the largest department store chain in Europe, was founded more than 130 years ago. Today it has 105 stores across the major cities of Germany.

In each store, there is a wide assortment of clothes, shoes, toys, sportswear and equipment, jewellery, stationery, books and culinary delicacies.

Special attention is paid to the atmosphere of stores. Traditional goods, new trends and exclusive brands allow them to offer a unique service.

In addition to its department stores "Galeria Kaufhof", also has 17 sportswear stores "Sportarena" and 15 "INNO" stores in Belgium.

Weigandt Consulting

Weigandt Consulting is an owner managed company that delivers real personal engagement along with a pragmatic and goal oriented approach, high quality and fast delivery.

The success of our customer is maximized by developing existing competitive advantages further and creating even new ones, and by us listening closely, and being totally customer focused.

We focus our consulting effort on topics, which have direct impact on our clients revenue and profit:

- **operational efficiency**
- **right assortment**
- **right inventory level**
- **omni-channel**



WEIGANDT
Consulting | Implementation | Services

„Galeria Kaufhof“ serves 2 million customers each day in their 137 stores and generates revenue exceeding €2.6 bn.



Challenges

The increase in the size of the company meant that the existing planning system did not meet the requirements of the business. A large amount of manual work, a lack of standard processes and the difficulty of reconciling the results hindered the business development.

It needed a new planning solution and processes to be integrated with the other systems used by the chain, and combining retail best practices with Galeria Kaufhof know-how.

Taking into account the complexity of assortment (1.4 million SKU and 700 thousand of new annually), the development of the end process required:

- the specific role of each store in relation to the local market
- dividing customers into groups based on their preferences
- provide a unique level of service and the opportunity for customer multi-channel shopping
- increase the level of detail
- reduce the cost of planning

Solution

Using Oracle RPAS helped deliver a new integrated planning system. It works for all the business users accountable in this area.

Assortment planning is implemented at all levels - from the initial business strategy right down to a particular product. It includes:

- planning separate departments based on the strategic plan
- planning on the basis of the merchandise-financial plan, taking into account the store space available
- 2 main annual cycles «top down»
- ability to deliver pre-season and In-Season re-planning

The process is divided into functional areas and phases, based on the company's financial plans. The final assortment depends on the size of the stores. Phases run consecutively, and the end of each phase is merged with the beginning of the next, allowing you to more accurately meet the targets and plans.

During the project, the concept of integrated planning was developed. It includes:

- department harmonization
- time synchronization
- technical integration between modules
- the use of a single data cube

This approach allowed the business to accelerate and harmonize processes, reduce manual control and reduce costs.

Result:

The result of the project was that Galeria Kaufhof now has a single planning system integrated with the other systems. It has transformed the financial plans of the company, allowing the buying against a detailed plan for each store, based on its location and customer preferences.

The solution has increased the accuracy in accounting for the preferences of customers in the development of the assortment, and significantly reducing the complexity and time needed for planning. This has improved the KPI's and provided an opportunity to respond quickly to market changes.