

Planning for Growth

Carter's updates supply chain capabilities with cloud-based platform

by JANET GROEBER



Merchandising is the link between sales and marketing on the front end and supply chain on the back end. It sounds like a lesson from Retail 101: Merchandising informs the all-important four Ws — what to sell, when to sell, where to sell and who to sell to.

The what, when, where and who are critical for sales, marketing and supply chain because they touch myriad aspects of the enterprise, but many retailers struggle to successfully implement and execute. Now add digital disruption to the mix, which is propelling retail to move even faster.

New competitors, business models, buying behaviors, opportunities and markets are prompting retailers to continually look forward when planning. Increasingly, enterprises must plan at

lower levels of the business, particularly at the point of impact.

Founded in 1865, Carter's Inc. has been on a steady upward curve for decades; the venerable maker of apparel and related merchandise for infants, toddlers and young children has posted more than a quarter century of yearly sales increases.

Carter's currently has nearly 1,000 company-operated stores in the United States and Canada, plus its online business. Just One You, Precious Firsts and Genuine Kids brands are available at Target; the Child of Mine brand is available at Walmart. The company

acquired Skip Hop, a New York City-based global lifestyle brand with a range of products for parents, babies and toddlers, earlier this year.

In 2015, the company opened 110 new stores — 65 Carter's locations and 45 OshKosh B'Gosh stores — and its five-year plan calls for an additional 300 Carter's and 250 OshKosh stores.

Carter's wanted to upgrade its existing system to help grow its business — the system was overly reliant on IT for any reconfiguration needs, leading to an overuse of Excel, says Scott Guinn, director of human relations and finance solutions for retail with Anaplan.

Previously, transactions flowed through a network of more than 20 legacy financial systems, including a patchwork of homegrown and bolt-on solutions. (Carter's currently uses SAP Financials for general ledger and core enterprise resource

planning, plus Hyperion for financial planning and analysis.)

SUITED FOR FLEXIBILITY

The company was looking for a replacement system to meet particularly important criteria: One that offered the flexibility for it to change and grow with the business, eliminated reliance on IT resources and reduced maintenance costs.

“We had been looking for a supply chain planning solution for a long time and had spent most of our time with traditional package solution vendors,” says Ben Pivar, Carter’s vice president of retail IT.

“We brought Anaplan into our software selection process toward the end of the cycle and decided pretty quickly that we could build our own solution using the Anaplan platform much quicker than the package solutions.”

Founded in 2006, Anaplan is a cloud-based planning and performance management platform for various enterprise functions including finance, sales, supply chain, marketing, IT and HR. The platform complements industry legacies such as IBM, Oracle, SAP and Microsoft.

Anaplan offers modules for workforce planning, quota planning, commission calculation, project planning, demand planning, budgeting, planning and forecasting, financial consolidation and profitability modeling.

Carter’s “first reached out to us in early 2016,” Guinn says. “Carter’s executive vice president of supply chain had previously worked with Anaplan at a different company. He mentioned that it would be a good option to consider.”

Anaplan was an ideal option for Carter’s, Guinn notes, because the

product is well suited for flexibility, scalability and real-time availability of information. Anaplan’s patented Hyperblock is an in-memory technology that manages trillions of cells and thousands of users across countless planning scenarios. Once an enterprise customer uploads data to the Anaplan cloud, users can quickly organize and analyze disparate sets of enterprise data from finance, human resources, sales and other areas of business operations.

Such flexibility and scalability are augmented by the Anaplan App Hub — the first-ever app community for enterprise planning, where customers can choose from more than 100 pre-built planning apps that span planning scenarios across the entire business built by both partners and the Anaplan community.

“The [initial] project involved updating our inventory planning and buy model solution,” Pivar says, “which in a simplistic description helps us to understand how much inventory to order, where to place it and when it should arrive at our facilities.”

The first project was rolled out in just 14 weeks, Guinn says. “Deloitte was a great [implementation] partner, helping to deliver the system on time, on budget and with professionalism.”

Following the first phase, Carter’s then refined and enhanced the system. “We completed the project focusing on our initial buy and then completed some additional technical integration over the next six weeks,” Pivar says.

As for next steps, “We have plans to extend the model to connect other areas within our business, and are working on additional models to support our retail team,” he says.

BUILDING A SOLUTION

“We were a good candidate to work with Anaplan for a number of reasons,” Pivar says. “First, we were replacing an existing Excel/Access-based tool that wasn’t able to grow to meet our needs and didn’t have all the functionality we wanted. Anaplan allowed us to build a solution unique to our requirements similar to our Excel/Access solution but also improved upon that model and drove new benefits for us.”

Secondly, he says, “From an IT perspective, we were looking for a solution that would scale to our heavy data volumes. Our existing solution was beginning to choke on the size of our problem and we need something more scalable.”

Last, but certainly not least, Carter’s wanted to partner with a vendor who would provide better support for its solution.

“Anaplan fit the bill,” Pivar says. “We built a business case at the beginning of the project, and one of the key metrics focused on improving inventory flow/inventory performance, and we achieved those targets in our first buy. We’re looking to extend the benefits to the rest of our business.”

Carter’s was upfront about their project and what they wanted to see from Anaplan, Guinn says.

“We were able to meet their key metric of improving inventory flow/inventory performance after the initial roll out. The ROI of the model that was built is measured in days of inventory carrying costs, and Carter’s achieved measurable improvement in that metric quickly.” **STORES**

