

TXT and Kurt Salmon Associates launch Demand Accelerator

Submitted by: Laderman PR

Tuesday, 11 May 2004

10 May 2004

TXT and Kurt Salmon Associates launch Demand Accelerator
to improve product availability

To assist mid-tier companies improve in-store product availability, TXT - a leading European supply chain software provider - and Kurt Salmon Associates (KSA) - the global management consultancy specialising in retail and consumer products - have developed Demand Accelerator, which will be launched at Retail Solutions (Stand D42, June 6-8, NEC, Birmingham).

The package combines strategic advice, software and services to help businesses forecast demand and consequently boost sales, reduce inventory costs, improve revenue per square metre, and optimise transport and inventory costs.

As Demand Accelerator will provide significant and measurable benefits to retailers, part of the cost of the package is tied to the business results obtained.

"Retailers constantly inject new products into their stores to maintain their brand position and keep customers loyal, so most firms have moved to introducing at least four collections a year with monthly deliveries, with the leaders in the sector working on 10 or more collections, with a weekly intake on some lines. Managing the availability of such a large and complex product mix, often across multiple channels, is one of the biggest problems retailers have," says Simon Kennedy, senior manager of KSA. "Processes and systems have to change to support the different dynamics of increased product churn to continue to maintain an acceptable supply chain service and stock levels."

Ideally, stock levels ensure a 100% availability record, both in-store and on the shelf, but typically, these are only running at around 70-85%. "Demand Accelerator optimises and refines the skills, techniques and tools in forecasting, allocation and replenishment so that retailers can make up the missing percentage points, even though they are the most difficult to achieve," explains Simon Kennedy.

Uniquely, Demand Accelerator is a solution that packages together know-how and a system tool-kit, combining a deep understanding of the retail industry, best practice supply chain processes and a proven methodology with innovative technology, thereby enabling retailers to realise an extremely quick return on investment.

A key element of Demand Accelerator is its ability to help retailers address the increased exposure to end-of-season markdowns and also help make decisions in-season in time to meet sales forecasts.

Pre-season, Demand Accelerator will help buyers create a better purchasing plan and improve the first store allocation. This will help reduce initial commitment exposure, and improve stock sell-through at full price as the first allocation generally represents the largest proportion of the total season quantity.

In season, better forecast accuracy achieved by the Demand Accelerator will help improve replenishment at store/SKU level, the open-to-buy and purchase order management. It will also provide visibility of the winners and losers and enables buyers and merchandisers to more accurately replenish stocks so that overall availability will be increased within budget.

“Direct benefits will be improving customer loyalty by having the size, colour or product the customer wants, increasing add-on sales by satisfying the customer’s core need, and improving the visual appearance of the store by more often having a credible display,” concludes Simon Kennedy.

Ends

About Kurt Salmon Associates

KSA is the premier global management consulting and technology firm specialising in the retail and consumer goods industries. We deliver superior business benefits to our clients through integrated acceleration programmes: Business Growth, Gross margin enhancement, Inventory efficiency, Productivity improvement and Technology deployment.

The core of KSA's competence is the optimisation of the entire value chain: Working closely together with manufacturers and retailers, our consultants develop and implement integrated solutions along the entire chain from raw material to end consumer. Our clients are leaders in retailing, and suppliers of the world's best known brands.

www.kurtsalmon.com

About TXT

TXT e-solutions is the European leader in products, services and software solutions for content, supply chain, and customer management. Listed on Milan’s Nuovo Mercato (TXTS), TXT e-solutions has its registered headquarters in Milan with offices in Rome, Genoa, Turin, Bari, London, Paris, Barcelona and Frankfurt.

For further information, please contact:

Linda Laderman

Linda Laderman PR

Tel +44 20 7436 6676

Fax +44 20 7580 0555

lindal@ladermanpr.co.uk

www.ladermanpr.co.uk