

The Merchant Life Newsletter Volume 36

Run On the Multi-Track



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Welcome to The Merchant Life, where founders, VPs, and C-Suite executives come to seek out valuable merchandising insights.

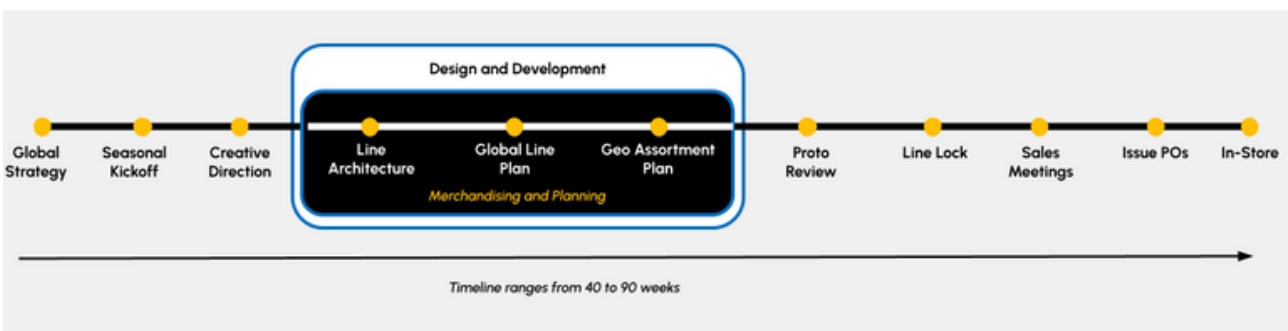
In this edition, we ask: What does public transit have to do with product creation?

The process of creating a product is a journey from concept to market. Much like the train on a subway line, there are multiple stops and things can break down, delaying the trip. And, like a packed subway car or line, how does a brand with too many SKUs get to market efficiently?

For retailers, the track they are taking on the journey may be limiting their performance.

Product Creation Calendar

Here is what a product creation calendar typically looks like:



We have a calendar with a single “track” charting the concept-to-market journey. This includes key alignment moments, timelines, deadlines, and more. The track is built as a work back from the in-store date of the product line.

The single track works well for brands and has been for years. It is often referred to as “best practice.”

But, this is not the way to raise the bar of performance and effectively respond to a dynamic market.

Here are a few reasons why:

1. There are no formalized moments for consumer insights or innovation to inform product creation.
2. Redundant process steps are found at any point in the calendar.
3. There are far too many approvers at key milestone moments.
4. Adherence to deadlines is scant.

There are many impacts on the brand because of the above. One is a reduction in speed to market. This is an underrated measure of value and performance for retailers today.

What we need are better practices.

To frame up where the process should go, think about a public transit system. Imagine having only a single track to move people from Point A to Point B in a major city.

Some people need to go end-to-end, and others go a few stops. As the population grows, more people and vehicles need to get onto the track. Eventually, the track is jammed with traffic. Lots of people move on and off the train at every stop. More trains are on the line.

Getting from A to B takes longer.

In product creation, the single track already operates near capacity. Meanwhile, the number of products under development is increasing. Moreover, too many people converge at each key alignment moment. It's hard to make room for innovation, a factory partner, or consumer insights to join in.

Getting products to market takes longer.

What makes sense is evolving from a single-track to a multi-track process. Open up more routes and enable efficiency.

Look at any transit map: there are multiple lines and routes for people to move from A to B.

Long lines connect east to west and north to south. Express routes provide rapid service to key destinations. Loops to connect multiple lines and service high-density areas: think of downtown Chicago or the Circle Line in Singapore.

We have three examples of how brands can move towards a multi-track system.

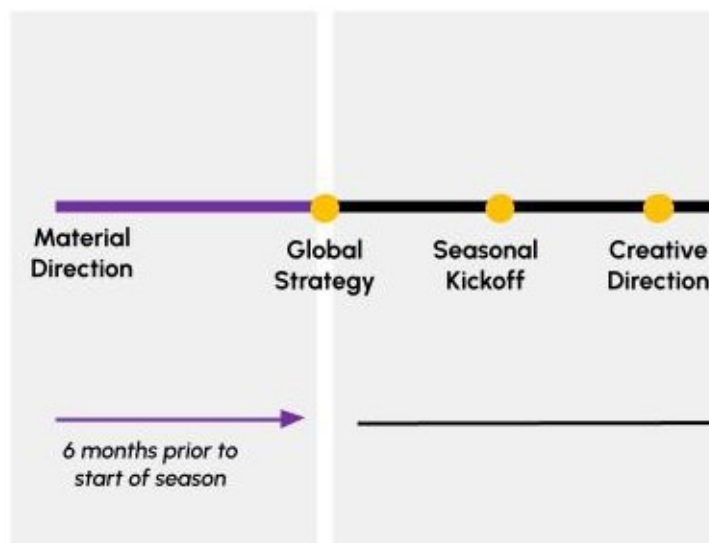
1 - Extending the Line: Material Preseason

One method to increase the coverage of a transit line is an extension.

Here, we extend the main calendar to add a stop prior to Global Strategy. We call this Material Direction.

The intention is to set the material direction well before the start of the season. Buying into materials upfront and pre-approved materials are 'banked' in a library at this step.

This informs both the product strategy and the design brief. Materials that are pre-approved are the only ones available for use as the season kicks off.



This avoids in-season scrambling to source materials that are not readily available.

Or, don't even exist yet.

There are significant time savings to be had by initiating the calendar with a materials-first approach.

Many of our clients have shifted to this approach and are pleased with the results.

2 - Express Route: Fast Fashion Track

We know that not all products are equal, so not all products should be created equally.

Meaning, not all products need to take the full end-to-end journey and could benefit from a track of their own.

For example, consumers might want a product from a previous season that was not carried over. This product is already approved with fit, materials, and testing requirements already met.

Or, this could be a product that sold really well and needs in-season replenishment e.g. Dapper Dan's "DAP" hoodies created with The Gap.

If this is the case, does a brand wait until the following season to replenish? Or, do they scramble in-season, with capacity already tight, to get these products to market?

Neither is ideal.



The separate, express track allows retailers to respond to consumer demands quickly.

And, in season.

3 - Circle Line: The Innovation Loop

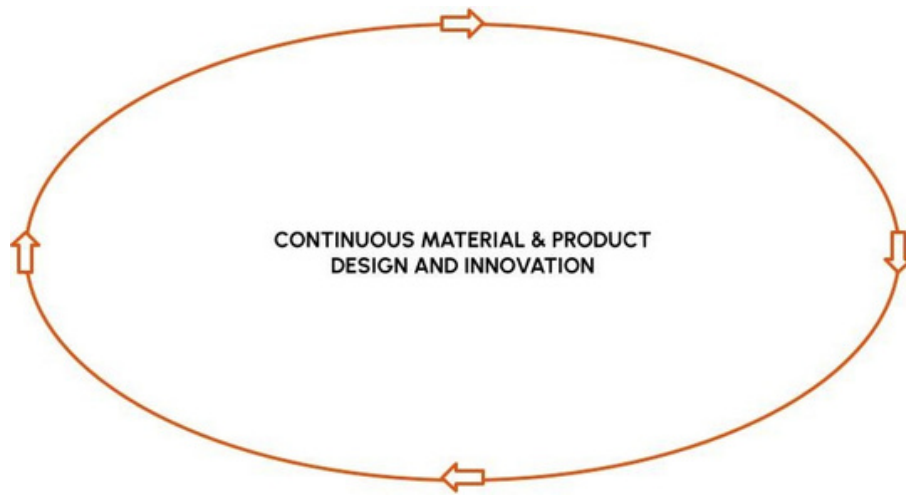
Innovation is an evergreen process applied to materials, products, or both. Most retailers, except for off-price and discount, should engage in some level of innovation.

As the process does not have a fixed end date, it needs to be managed on a continuous timeline. Patagonia is an excellent example with its long-term "Blue Sky" process.

Time and space must be created for innovation plus R&D to work on the "newness" of the brand. This must be separate from the main calendar but allowed to enter and exit periodically.

This is where a loop is useful.

Like so:



The Multi-Track Calendar

With multiple tracks, products move rapidly from concept to market. The materials direction and fast-track prevent delays. The innovation loop has room to function and periodically drops freshness into product creation.

Much like transit systems, enforcement and compliance are needed. Ownership of the process must live with a neutral party, like operations. Frequent audits, assigning accountabilities, and using newly-defined KPIs ensures efficiency.

Otherwise, we end up in the same mess we wanted to get out of.

Because the trains have to run on time.

