Print & Collateral Fulfillment with Budget Management

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A well-known national Retailer needed to get back on track after Chapter 11 reorganization. With the goal of reorganizing and regaining profitability, they wanted a comprehensive solution to better control their monthly store spending, and improve the efficiency of their print and collateral management in over 100 retail locations around the country.

CHALLENGE

While the client set monthly print and collateral budgets for each of their stores, they had no mechanism for corporate headquarters to actually monitor and control each store's spend.

Stores would routinely go over-budget and undermine corporate efforts to reign in and control spend. Additionally, stores were ordering print and product inefficiently, adding to administrative effort and freight expense.

SOLUTION EMPLOYED

Federal Direct worked with their top management team to understand their collateral distribution goals and the budgetary discipline they desired to restore control over their store operations.

We designed and installed a solution that addressed both needs simultaneously. Developing a custom web-based solution that

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allowed the retailer to monitor store spend in real-time prevented stores from exceeding their monthly budget.

Installing a budget-exception process allowed the stores to request budget over-rides for high-value items and/or rush shipments:

- Additionally, a budget database was created to allow corporate to access and maintain monthly budgets for each department of their 100+ stores. This mechanism limited store spend to the funds they have available in their pre-approved budget.

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- To address emergencies, we implemented an electronic "needs approval" process for orders that exceeded budget, or contained high-value items. Corporate management would review and approve/reject/modify all approval-needed orders, increasing their real-time control of each store's spend.

- Based on algorithms that took into account overall and specific store usage for all items, we introduced Min/Max ordering logic that prevented store users from over-ordering or under-ordering a particular item.

  Likewise, high-value items were flagged as requiring corporate approval before the order was processed.

RESULTS

We rolled out the solution to all stores as well as corporate users in under 3 months. Providing system training and manuals for all users, all stores were immediately brought into corporate budget compliance.

Additionally, the client reduced their admin costs approximately 35% due to the reduction of headquarters time spent trying to react and remediate store over-spending, or trying to unravel inappropriate purchases.

The "Needs Override" process significantly reduced spend on rush orders or high-value items. Freight expense for store shipments was reduced due to elimination of duplicate, unnecessary, or rush orders.

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