

### Supporting Woolworths Plc on Commercial Supply Chain Projects

#### Background

In September 2006 until January 2008 Phil Streatfield, Supply Chain and IT Director of Woolworths, engaged Retail Acumen for a consulting project with two objectives:

1. Understand the current state of the commercial supply chain. Undertake a causal analysis from a process and systems perspective to identify the most likely contributors to poor in store availability.
2. Consider an end-state supply chain that utilises sku-store-day data to create an accurate demand forecast to drive out a bottom-up sales and stock flow plan. Assess what would need to change in the organisation to achieve that end state. Determine if a viable business case exists for the change.

It became clear that tactical initiatives required focus so Retail Acumen dedicated time to the first objective, supporting internal teams to prioritise necessary changes to enable some incremental benefit into 2007.

Having contributed to shaping the immediate change, Retail Acumen's engagement was extended, now with focus on the second objective. Whilst process change could drive some benefits it was clear that underlying constraints in the business systems would prevent the achievement of full benefits unless either replaced or significantly improved.

#### Vendor Selection

From April 2007 Retail Acumen has worked alongside the Woolworths internal team to complete a vendor selection exercise to select systems to support the commercial supply chain aims. Retail Acumen's deep knowledge of merchandise and supply chain planning enabled us to provide all the content for and processes to enable the functional assessment. This included an initial request for information (RFI) and an extensive invitation to tender (ITT) with the short-listed vendors from the RFI phase. The outcome as of September 2007 is that two vendors remain in the frame, and the Woolworths internal team is completing the final evaluation to select a preferred supplier for the project.

#### Comment from the Project Sponsor

Phil Streatfield said of Retail Acumen "Retail Acumen has done as I wanted - helped keep us focused on developing future thinking in the supply chain space for Woolworths - whilst we also grapple with the day job. We are entering an interesting phase of development thinking now - and Retail Acumen is making an important independent and objective contribution."