



**SOME BRICK-AND-MORTAR  
SPECIALTY STORES ARE THRIVING!  
How are They Doing It?  
*Integrated Calendars***

**ABSTRACT**

Is brick-and-mortar retailing fading into the past with the growth of e-commerce? This paper explores how successful specialty retailers have recognized the critical need to re-engineer their process calendars to drive their results above and apart from their competition.



Photo by Ana Gramm

# Some Brick-and-Mortar Specialty Stores are Thriving!

How are They Doing It?

## *Integrated Calendars*

*Over the past 16 years of our consulting practice, we have been fortunate to work with specialty retailers having operations crossing the US, Canada, Mexico and Europe. During this time, we have ridden waves of economic ups and downs with our clients, moved with the birth of the digital age, experienced the changing complexion and demands of consumers, and adapted to the educational needs of each new wave of the retail workforce.*

This is the fourth and final article in our series regarding how some brick-and-mortar specialty store retailers are succeeding during the proliferation of digital retailing. **Thank you again to all who have responded with “likes,” comments, shares and emails regarding our first three articles:**

- [Some Brick-and-Mortar Specialty Stores are Thriving! How are They Doing It?](#)
- [Business Intelligence](#)
- [Planners and Allocators](#)

**The subjects we covered are resonating with our readers and we were blown away with the response to “Planners and Allocators”! We always appreciate hearing from you.**

By the way, in answer to your questions as to the correlation of the images that we have used with our articles, please note:

- We chose [penguins](#) for the first article since they continue to survive in Antarctica as their habitat melts away from them.
- We chose [sled dogs](#) for the Business Intelligence article as they are selected for their intelligence and team work.
- We chose [parrots](#) for the Planners and Allocators article because they are among the smartest birds.
- We chose [migrating birds](#) for our last article, because.... Well, you can figure it out as you read the article!

Stores are closing now, but there are still a lot of specialty store retailers thriving with their brick-and-mortar locations. Many of these retailers continue to have a strong comping brick-and-mortar business while managing explosive e-commerce growth. How do they do it?



Photo by Delmas Lehman

## Integrated Calendars

*Huh?*

Since the financial crisis of 2008, many of our engagements turned to process improvement work with our clients. In initial discussions we heard that operations weren't working, people were frustrated, finger pointing was rampant, collisions were happening in the work flow, pain points were really painful and the budgets for boxes of tissues were increasing. And we heard the same call out time and again: At the end of the work flow funnel, Creative Teams received product too late in the game to do anything but rush through photography, copy development and layout, all leading to the same issue: product wasn't being consistently showcased in its best form possible, creative costs were escalating, deliveries weren't on time, and margins were being impacted.

Our due diligence process has always been the same: interview the senior management, middle management and lower level employees in a room and always one on one. We found people tend to be more open when they are in a room alone with us. We hear a lot. We mean... A LOT! We talk to everyone directly or indirectly impacted in a company. And, we have felt the same frustration in the conversations we had with the senior management and the same feeling of helplessness in the balance of the organization as they tried to create the best in the shortest amount of time. Sometimes we would see the famous quote by Konstantin Jirecek hanging in dark corners of offices and cubicles

***“We, the unwilling, led by the unknowing, are doing the impossible for the ungrateful. We have done so much, for so long, with so little, we are now qualified to do anything with nothing.”***

We commented and smiled. But after several days of due diligence conversations, we realized our smiles were totally inappropriate.

We are not talking about one or two clients here. We have kept quite busy with Integrated Calendar projects since 2008! Fortunately, we like doing them. They give us a chance to spend quality time with all the players in a company and learn how they uniquely execute their businesses. We come to understand the DNA of companies, that critical foundational structure about which we wrote in our first article in this series. We are very fortunate to see and learn the “best of the best” in the industry through these engagements.

A recurring issue that we have seen with the clients with whom we’ve worked results from the current business trend to move more production to domestic resources. The reason for this move is to achieve rapid turnover of product to meet customer demands and to more quickly react to market trends in our rapid-fire world of fashion. Specialty retailers are willing to sacrifice costs and IMU%’s to achieve this speed to market. It is a sacrifice that requires Merchants and Planners to rethink their Merchandise Pyramid strategies in the development of assortments which can continue to deliver margin goals. And, it shortens timeline points on their Integrated Calendars. This move is often the reason for re-engineering calendars.

## **Calendars are Critical. Adherence is Non-Negotiable**

This series of articles was specifically designed, as their common title implies, to discuss brick-and-mortar retailers who are thriving. In this last article of our series, we are now crossing over to also include “e-commerce only” retailers who are successful. The calendar issues are all the same and they end at the delivery of the product. E-commerce retailers are only different in that there is no allocation process to stores.

The CEOs and presidents with whom we’ve worked, are always quick to identify calendar problems. They own the problems. They don’t pressure their organizations to “try and make things work” or ignore the obvious. Their conversations are direct and to the point with us. The issue for them is they don’t always know where along the work flow chain the problems are located. They know their middle management teams are strong and provide the right direction, but they also wonder at times if they are the right fit for the company due to their seemingly inability to manage their own stress. They also know their calendars must work like clockwork for both the success

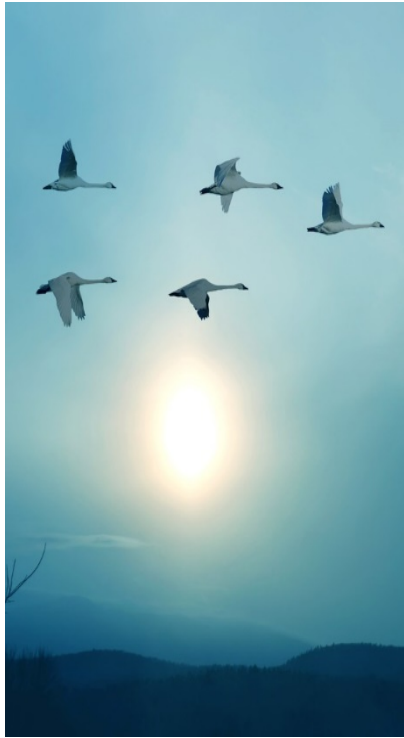


Photo by M. Bolina

of the company and for the successful management of their employees. And, they really don't want to deal in conflict. Who does?

These CEOs and presidents also know their organizations must adhere to their calendars. The slippage of one week here or two weeks there can simply cause backups in workflow downstream and at times, work stoppage. We all know creating a line is expensive and time consuming, but sometimes we forget that developing the creative for a line is also expensive and equally time consuming.

***And when upstream delays occur, the creative costs begin to escalate while the quality of the all-important creative has the potential to de-escalate.***

We sometime wonder as we are browsing catalogs that are clearly done with location shoots, if those one or two pages with the solid white backgrounds were due to late product and the need for studio photography that wasn't planned in the budget. Hey, we've been in the industry a long time and catch things like this!

## Integrated means Fully Integrated

When we begin our research on a company, we start with a review of their current calendars. We say "calendars" because we often find multiple calendars, versus one, encompassing Integrated Calendar covering all divisions of the company. We also usually find a product calendar that begins with concept development and flows through product development, then sampling, line selection, line hand-off to creative, and creative development. Teams can talk clearly and readily about this flow. What we don't usually find are points along this calendar that

- Integrate the financial goals of the company through merchandise planning;
- Include a financial review of the line to ensure the goals of the Merchandise Pyramids are met and Planners have evaluated the line to ensure the base of the pyramid – that is, the core product – is producing at least 60% of the sales and 60% of the margin dollars;
- Verify all-store and top-store product selections meet the direction from Allocation to achieve store sales and margin goals;
- Include points that, prior to releasing the product to the Creative Teams, ensure checks are done once again to verify the lines are meeting sales, margin and receipt targets and delivery dates are absolutely confirmed; and,

- Include the integration of the Monthly Business Review meetings to constantly provide a check on the current forecasts and trends for the business which can impact decisions on the assortment under development.

We also find hard stops aren't really "hard stops". We heard over the years that Designers and Merchants are never really done with their work. After all, the creative process is an evolution and we understand this. But, there comes a time when they need to say, "**Pencils down**". We have found business rules are usually missing which enforce this; the negative ripple effect can result in, as we like to say,

### **"The E-cubed Effect"**

#### ***Extensive, Exhaustive and Expensive!***

## **Calendars Begin in the Beginning**

Successful Integrated Calendars always begin with the financial goal planning for the company, which is quickly followed by the development of the merchandise plans. Whether annual plans by month or seasonal plans by month, these goals set the stage for all that is to come. These financial and merchandise plans usually are completed and issued anywhere between 18 months and 12 months in advance of the year. This is usually the minimum amount of time needed to begin the creative concept process by the Design and Merchant teams. In home lines, these plans may be needed as early as 24 months in advance of the year of delivery. Yes, it is a long time out from the point of delivery, but Rome wasn't built in a day, and neither are sofas. With these long lead times for the financial plans, revision points along the calendar are usually inserted to allow the financial and merchandise plans to be adjusted for business trends and market forces. Without the merchandise plans, finance cannot develop the expense structure and cash flow requirements for a given year and Merchants won't know their receipt plans and how many customer choices they should buy or develop.

It usually takes about eight weeks from the time finance issues their targets to the final review by the Planners and Merchants of their merchandise plans and supporting strategies with senior management. This is a critical step in the process. The partnership between Planners and Merchants is absolutely needed to ensure the plans are valid and supported by merchandise strategies the Merchants can deliver and *deliver on time*. When Planning does the annual or six-month plans in a silo and hands them off to Merchants, it is a recipe for arguments and finger pointing. Successful Integrated Calendars include points on them for these critical partnership steps to formally occur.

## Calendars are Published and Include Meeting Agendas

Within these successful retailers, we've witnessed in addition to having a program or method for publishing and tracking the progress of their calendars, they likewise include formal meeting agendas for all major points along their calendars. Much time and energy is put into the development of these meeting agendas. They include objectives to be reached; a list of the owners of the meetings, lists of active attendees who have deliverables, lists of passive attendees who are in attendance to gain an understanding; and solid, actionable and well thought-out agendas. Realistic times are included so if an entire day is needed to complete the meeting, everyone to be in attendance knows they need to set aside an entire day for the meeting. These companies too, invite only those who really need to be in the meetings to keep the meetings small and focused so all objectives can be met. If you are there, you are there for a reason, not for a "nice to know". Attendance at these meetings is mandatory... *Always Mandatory*.

## Someone Manages the Calendar

These successful companies are serious about their calendars. They all have appointed a Calendar Manager to monitor their calendars and the progress of the workflows given that there are multiple workflows occurring simultaneously. These Calendar Managers meet regularly with division heads to gain an understanding of the progress on their workflows as it relates to the calendar and they report back to the CEO or president the position and progress of each division. When workflow backups occur, they send out alerts to all downstream divisions of the impending issues and they call meetings to resolve these issues and redeploy resources to mitigate problems and/or work stoppages.

***After all, the launch date of a website, the in-home date of a catalog and the in-store date of a new line cannot change since these dates are built around and support the financial goals of these retailers.***

The CEOs and presidents of these companies include calendar progress as an agenda item at their weekly executive committee meetings. They want to know for each workflow, where the company currently stands and what issues may be clogging the pipelines. Sensitivities to these overlaps are tolerated, but the timely completion of the projects are always non-negotiable, as stated above.





Photo by OCS 12

## **The Points of Collision are Solved. Period.**

We have done many Integrated Calendar projects with clients who carry apparel, home and combinations of both. And guess what? We have always found a point of collision between weeks 24 through 21 out from the date of product delivery. Yup. Always. Actually, it is the **MAJOR** point of collision. And there is always the same issue:

***Merchants need to have their assortments completed, Planners need to have their merchandise plans attached to them, and Creative needs to be ready for the Merchants to hand their lines over to them.***

This timing is especially acute for companies that are both vertical and carry market goods.

***This is the point where the issues are the greatest, the tissue boxes come out, passions flare and the***

***“You don’t understand what it takes to do my job!”***

***declaratives start to get thrown around.***



A second point of collision always occurs between weeks 8 through 5 out from the date of product delivery. It is during this time all product delivery dates need to be confirmed and final sales and margin plans need to be rolled up and checked against the financial goals. If items aren't going to make the "in warehouse" date, then hard decisions need to be made. These decisions will impact sales and margin. Companies tend to call the points at this calendar timeline "Final Print Review," "Final Digital Review" and "Final Store Set Review".

- The effects of items removed from catalog pages due to late delivery are obvious and replacements aren't always easy to locate that will support the same sales and margin dollars while completing the creative direction of the book.
- With web sites and product placements being created, missing product will impact the customer experience as well as the page and site productivity.
- Visual Merchandising only has a few weeks remaining to execute their sample store set and prepare the documents to be sent to the stores for the launch of the line; missing product delays this entire process or results in lists of updates being sent to Store Managers who are already overwhelmed with mail and workloads.

Delivery delays result in collisions across Merchants, Planners, Visual Merchandising, Digital, Creative and Production and Sourcing. We can usually count on seeing furrowed brows on the CEOs, presidents and CFOs when these deadlines can't be met. The conversations are always, let's say, *highly energized*.

Anyone reading this who has gone through the Olson-Ng Integrated Calendar re-engineering process is probably smiling and remembering the time their organization reached these points in the process. The Olson-Ng process is a robust, all-inclusive process to ensure that all divisions in the company gain a clear understanding of the efforts needed for each division to effectively and efficiently complete their work. When we hit collision points in the re-engineering process, we stop the entire process and take those who are experiencing the collision off line. They sit in a room with one of us as a monitor and no one leaves until we solve the collision problem. At times we need to invoke one of our process rules we establish at the start of the project: that is, if we can't reach compromise, we have the CEO or president attend these compromise meetings to help work through the concerns. Compromise is always reached. Sometimes it takes up to three days to reach the compromise, but in the end, the parties involved have a clear understanding of each other's work efforts, needs and deadlines. There is always an answer... sometimes though, it doesn't come exactly at the time it is needed. But, it will show up!

***We have been amazed at the cooperation and compromise that organizations have reached in their calendar re-engineering processes.***

All are to be commended. All, in the end, know they are there, working together as a team, to deliver desirable product for their customers and to return margin to their shareholders.

## CEOs and Presidents Drive their Calendars

We've worked with both [Andrea Weiss](#), founder of [The O Alliance](#), and [Maria Leo](#), founder of [Lion Merchandising Advisors](#), over the years. They have focused a portion of their practices too, on Integrated Calendar re-engineering. In our conversations with them we often discussed the attention CEOs and presidents give to the **process** of the Integrated Calendars. We have found they understand the necessity of developing and maintaining collaboration and understanding between each of their divisions, in order to have calendars be successful tools. We found they value and appreciate smooth handoffs between divisions... the "*passing of the baton*". We have also found they understand business processes need to change as businesses evolve. These CEOs and presidents are always open to revisiting their calendars to ensure they are still working and if not, they are quick to initiate reviews for updating and enhancements.

The CEOs and presidents with which we've worked who have had successful calendar practices also manage their businesses as teams. While their senior management teams are their first line for managing their businesses, they encourage open, informal dialogue with all members of their organizations. And, they engage in these conversations themselves. It is not unusual for them to have an "open forum" discussion with team members. It is through these management "discovery" practices that new and better ideas for managing the business are often identified.



Photo by Sharply Done

## In Summary

So, this ends our last article in this four-part series. It was great to spend time with our readers during our writings and during our replies to your comments. We need however, to stop writing and get back to work! We can't stress enough the points made in these four articles. We know attention spent on the call outs in their content can help brick-and-mortar specialty store retailers who are *not* thriving today. But of course, that is only if the product they offer is truly desirable to their customer base and producing margins that can pay the bills.

Integrated Calendars are as foundational to successful retailers as their understanding and adherence to their DNA, valuing strong Business Intelligence, and understanding the financial contributions of Planners and Allocators. Integrated Calendars must encompass all divisions of retail operations. If bottlenecks are occurring, collisions are happening, personalities are flaring, or Creative is "just *doing* to get the work done," something isn't working properly. The problems will not work themselves out without attention given to them.

***Burying heads in the sand is not a strategy.***

The attention must come from an understanding, focused and engaged leadership

***Who owns the problem!***

for both the success of the company and for the successful management of their employees.

***If you have any questions about your Integrated Calendar, or lack thereof, as always, we welcome conversations.***

***And so do Andrea Weiss and Maria Leo!***

Still wondering about the migrating bird photos? They are flying in formation, with a leader, each knowing their position and dependent on each other, and always to an internal calendar.... Isn't that what an Integrated Calendar accomplishes?

Finally, if you've perused our website, you will note that Olson-Ng prides itself in being the "No Power Point" consultants. Too many times early in our careers while being on the payroll of companies, we found ourselves being shown a Power Point presentation and handed a beautiful and expensively bound Power Point deck from consultants. At the end, the consultants departed and the execution and implementation of their work was handed over to us to execute. We didn't need the presentation or the deck to know what needed to be done; all we needed was either time or resources. So, when Olson-Ng embarked on our boutique consulting adventure, we promised ourselves we would never do Power Point presentations or Power Point decks, unless requested. We promised ourselves to be the time and resource clients need. We promised that we would immerse ourselves in the work with our clients, sitting side-by-side in the trenches to labor with them and train them on what is needed to be done. We promised to listen. We promised to own the business with our clients and own the enhancements we recommend to them. And, we promised ourselves to always follow up. When explaining this recently to **Carlos Amerena**, who works for one of our international clients, he came back with the quip,

***"Power Point – Power Nap".***

Hmmm.... We will leave it to our readers to interpret this as they may. As for us, we smiled.

*A special thanks to our friends,*

**Mark A. Moore** and **Carol Scalzo, PMP** for their many contributions, suggestions and time proofreading with us, and

**Ellen Matlach** for helping us jumpstart this series!



**Olson-Ng Retail Consulting Group** is a boutique consulting practice focused on financial and operational improvements, inventory management, merchandise assortment planning and allocation strategies, strategic growth planning and execution, turnarounds, and jump-starts for specialty retailing. Founded in 2001 by Rod Olson and Kim Ng, Olson-Ng provides over 40 cumulative years of industry experience.

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