

Recovering from economic challenges requires you find efficiencies in variable costs such as store payroll, packaging, supplies and occupancy, and adapt to changing customer preferences.

margins

The retail environment has endured severe challenges in the past two years. Now the outlook is brightening, but this recovery poses new challenges for you. After cutting costs, staff and inventory, it can be hard to catch up with increased demand. Customers also have many more ways to find what they want at the lowest price and superior service. A one-size-fits-all approach to marketing and sales promotions doesn't work.

To compete successfully, you have to provide satisfying, differentiated shopping experiences in multiple channels – in stores, on the Web and via smartphones. You have to track sales by channel and in relation to inventory and expenses. To maintain margins you need to find efficiencies in variable costs such as store payroll, packaging, supplies and occupancy. And you must devise targeted marketing promotions and measure their outcomes to understand the effectiveness of your marketing spend and maximize return on investment (ROI).

The role of Finance is more central than ever. Today it extends beyond managing spending and preparing the budget to providing analysis of the financial implications of actions across the business and advising decision-makers at all levels and departments.

Host Analytics can help. For more than 10 years, we have been working with dozens of retail organizations such as yours to improve these and other processes and realize significant benefits by using our Host Analytics CPM suite. The suite includes fully integrated modules for budgeting and planning, revenue planning, reporting and analysis, financial consolidation, and scorecarding and dashboarding.

Same Store and Comparable Store Sales – Compare this year's sales at a given store against last year's, or compare sales at a newer store to sales at similar existing stores. Track historical performance or forecast how long it will take new stores to perform at desired levels.

Customer Segmentation – Compare volume and details of sales by type of customer. Model allocation of resources to develop strategies to maximize profit.

Gross Margin Return on Investment (GMROI) – Determine the relation of sales to investment and their contribution to gross margins. Model the impact on GMROI of price increases or decreases or markdowns and discounts.

Stock-to-Sales Ratio – Compare number of goods sold to those still in inventory.

Inventory Turns – Track how many times inventory turns annually. Model how to increase turn to lower cost.

Days of Supply – Determine how long it would take to sell out present stock at the current rate of sales. Forecast lead times to meet demand while keeping inventory low.



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- Upturn in consumer spending forces redeployment of scarce resources
- Reduction in variable costs must be found to offset new expenditure
- Demanding customers require personalized shopping experiences
- Targeted trade promotions for segmented markets are complex to plan and execute
- New channels such as smartphones and social media compete for resources

benefits

- Forward-looking plans help anticipate and adapt to changing customer preferences
- Revenue planning facilitates forecasting improved product and location profitability
- Automated consolidation speeds the financial close and turns data into actionable information, making it available to all finance and operations decision makers
- Using scorecards and dashboards, everyone can monitor performance in and focus on goals and improvement

Payroll as Percentage of Sales – Determine the portion of gross sales that is spent on payroll. Model fixed and variable pay costs by store to hold down costs while maintaining necessary personnel levels.

Channel Contribution – Track and compare trends of sales, performance and margins by channel. Model impact of improving lower-performing channels, shifting merchandise to other channels or increasing cross-channel activity.

Host Analytics CPM helps you get the information you need to make decisions that determine the success of your business. Finance professionals can take charge of their key responsibilities and provide valuable input into operations and executive strategizing and decision-making.

Budgeting and Planning enables forward-looking plans and forecasts so you'll be ready for market changes. You can compare actuals vs. budget, reforecast and track the accuracy of plans by store, channel and other variables.

Revenue Planning facilitates forecasting so you put resources into products with the most profitable timing and locations. Optimize profits from capital investment, headcount and marketing campaigns.

Financial Consolidation automates and speeds the financial close and turns data into actionable information, making it available to all finance and operations decision makers.

Reporting and Analysis turn your data into actionable information to support key decisions in finance and operations. You can model the impacts of improving against benchmarks to determine which to emphasize.

Scorecarding and Dashboarding provide the visibility required for employees, managers and executives to understand and track their performance and that of their reports.

Delivered through Software-as-a-Service (SaaS), Host Analytics CPM allows you to avoid significant costs for new hardware purchases, software licenses and IT staff, and its rapid implementation enables you to begin improving processes and performance right away.

Host Analytics knows what matters to finance professionals in your business and industry. With our help you see the full implications of decisions, both risk and reward. You ensure that decisions are made on a sound financial basis that spends money and resources wisely. You gain confidence that your operational processes are efficient, from payroll planning and cost of goods sold through performance of stores, channels and customer segments to trade promotions that deliver ROI and finally to superior financial results in cash flow, revenue growth and greater profitability.



“Host Analytics’ cost-effective software enables us to **project** our revenue more accurately and create more **accountability** at the retail store level.”

—Rick Bell
Corporate Accounting Manager
McCoy’s Building Supply

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