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Walgreens
AT THE CORNER OF HAPPY & HEALTHY®

CASE STUDY

Happy, Healthy and Well-Planned

Walgreens Counts on JDA's Category Management Solution to Optimize the Consumer Experience

As the nation's largest drugstore chain — with fiscal 2014 sales of $76 billion — Walgreens serves millions of customers every day. In order to help these shoppers easily find the health, wellness and beauty products they're looking for, Walgreens launched a consumer-centric retailing program back in 2009 to provide localized offerings in its new and remodeled store formats.

"We've remodeled a large number of our stores to make them more relevant for the customer. To accomplish this, we had to support a significant increase in planograms in order to run the business, while changing the business," said Louis Dorado, director of space management and visual merchandising for Walgreens.

To support this effort, Walgreens implemented JDA Software's Category Management solution. "We ended up tripling our planogram library and increased our merchandisers' bandwidth significantly," he noted. "The solution makes it easier to go through different versions and iterations of the planograms, because we don't have a one-size-fits-all merchandising model," said Dorado.

JDA Supports Organization-Wide Planning

"Since converting over to JDA, our department has really become more of a capability development department that just happens to build planograms," he said. "We pride ourselves in having an efficient planogramming process that affords us the time to leverage the data behind all of our planograms to help optimize downstream systems by enabling better, faster and smarter decisions across the organization."

OBJECTIVE
Leverage JDA's category management solution to deliver a consumer-centric experience in stores — while improving planning accuracy and efficiency across the organization.

SOLUTIONS
- JDA® Space Planning
- JDA® Floor Planning
- JDA® Planogram Generator
- JDA® Category Knowledge Base

SERVICES
- JDA Consulting Services
- JDA Support Services

REAL RESULTS
- Tripled planogram library, without adding any incremental resources
- Increased merchandisers' bandwidth by 300 percent
- Eliminated 97 percent of planogram-to-store errors
- Automated creation of custom, localized assortments

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Louis Dorado
Director of Space Management and Visual Merchandising
Walgreens

Walgreens can now analyze the existing performance of a planogram, using the data to answer key questions about why a category is behaving in a certain way. Planogram data is shared into all parts of the organization, including but not limited to the e-commerce, pricing, markdown, and operations teams.

"Where you would typically get reports created in an Excel spreadsheet with over 5,000 rows of information, we can convert that into a visual 'heat map' on a planogram or even on a floorplan that will tell the story a lot faster," added Dorado. "We can look at the planogram 52 weeks out of the year and understand what's going on — and see what we want to do differently moving forward."

Anticipating In-Store Labor Needs

One of Walgreens more innovative applications for its JDA solution is supporting accurate workforce scheduling at the store level. "We've built a labor modeler against our planogram data, which looks at the planograms in a specific store," noted Dorado. "We've worked with industrial engineers to understand the math behind how much time it takes to move every product in the set. We've also calculated the distance that employees have to walk, as well as all of the tasks associated with doing a planogram change in the store."

The retailer is now able to give its stores an accurate store specific labor estimate based on their actual footage, fixture, item count and location of the specific categories.

"When you have over 8,000 stores and a minute means everything, again, that data just enables us to unlock other capabilities within the company. That's been a huge win for store operations to be able to give them store-specific labor estimates, and all of that's associated with the data in the planogram," Dorado said. "We can make sure we have enough employees to help customers, while still maintaining all the shelves."

In addition to those efficiencies, the retailer continues to unlock value from its JDA investment.

jda.com   info@jda.com

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