

“The performance of Manhattan’s Advanced Planning solutions is four to 10 times that of the competition. We’ve found that if you can run Yahoo!, you can run this solution.”

Mark Bauer, Director of IS Development  
Staples



## Staples moves to the head of the class with multi-channel planning

### MULTIPLE, MANUALLY GENERATED PLANS COULD NOT BE RECONCILED

The world’s largest office products company, Staples, Inc. operates 2,076 retail outlets and catalog and online operations serving consumers and businesses in 22 countries in North and South America, Europe and Asia. With 2007 sales of \$19.4 billion, the company is committed to making it easy to buy office products through its stores, mail order catalog, e-commerce and contract businesses.

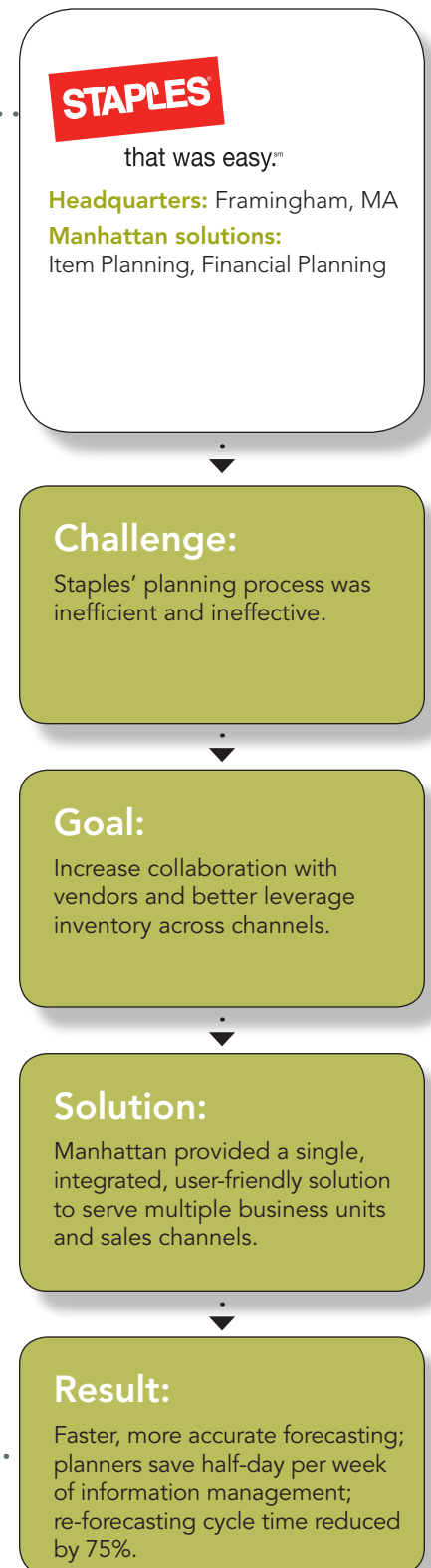
When Staples launched an ambitious IT initiative to support its rapid growth in the multi-channel, worldwide office supply market, it focused on moving to an open, web services-based architecture that would support world-class supply chain solutions. The company particularly wanted to rationalize and improve the efficiency of its merchandise planning and replenishment processes.

To improve forecast accuracy and take advantage of growth potential in its catalog and online businesses, Staples needed to extend its merchandise planning to deeper levels of detail than it had previously. Previously, Staples relied primarily on manual processes for item and financial planning. Planners built individual plans using Excel™ and Access™, with no way of reconciling them to get to “one version of the truth.”

At the same time, Staples’ supply chain was becoming increasingly complex as it expanded across multiple business channels and into more countries. To plan more effectively, Staples needed to create a single view of product across its entire organization and increase collaboration with its supply chain partners.

### MANHATTAN OFFERS STAPLES AN EASY-TO-USE, POWERFUL PLANNING SOLUTION

To support the corporate goal of rapid multi-channel international growth, Staples wanted to move to an open, web services-based architecture. The company also desired increased collaboration with vendors during the planning



process and leverage inventory across its entire organization. These process improvements required user-friendly and flexible technology that could be used by Staples' inventory analysts, buyers and store finance staff, as well as to its new planning group. Above all, Staples sought a solution that would scale to meet the company's needs as it continued to grow.

In selecting its new technology platform, Staples researched both Microsoft .NET and J2EE. "We chose J2EE [Java 2 Enterprise Edition] over .NET because it is truly open, has a proven scalability and overall gives us a lower TCO [total cost of ownership]," said Mark Bauer, Staples' director of IS development.

After deciding on the platform, Staples focused on merchandise planning. The company wanted to leverage more advanced technology than its competitors and therefore selected Manhattan Associates' Advanced Planning solutions. With their unique 100% J2EE platform, these solutions excelled in four areas: industry expertise, functionality, solution performance and scalability.

Through a convenient web browser, Manhattan gave Staples a single, integrated, user-friendly solution to serve multiple business units and sales channels. "We wanted something extremely thin on the desktop that would allow you to run a single instance and support the world, and Manhattan's Advanced Planning technology is designed that way," said Bauer. "We've found that if you can run Yahoo!, you can run this solution."

## STAPLES AND MANHATTAN DEVELOP CHANGE MANAGEMENT PROCESS TO SUPPORT NEW ITEM AND IN-SEASON PLANNING

Together, Staples and Manhattan developed a plan to improve item planning and in-season re-forecasting processes, as well as Staples' next-year financial plan. Manhattan worked closely with Staples to prioritize tasks and put change management processes in place. It took three months to roll out Manhattan's solutions at the item level and another three months at the in-season level.

## STAPLES ELIMINATES HUNDREDS OF SPREADSHEETS AND ACHIEVES FASTER, MORE ACCURATE PLANNING

The scalability and functionality of Manhattan's Advanced Planning solutions quickly translated into faster, more accurate merchandise planning. Staples achieved "one version of the truth" in its planning processes by eliminating hundreds of individual spreadsheets and diminishing its ad hoc decision-support systems.

On a weekly basis, Staples uses Item Planning across all business channels. Planners now can collaborate with inventory analysts, buyers and suppliers. Buyers execute directly off of the system. Planning calculations and operations move more quickly, and information uploads from Staples' central data warehouse enable planners to adjust projections based on the prior week's activities.



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Now that planners can hit a button, create a report and go to a meeting with all of the relevant information, Staples has freed up an additional half-day per week for forecast analysis rather than information management, according to Bauer. Manhattan's solutions also made it possible for Staples to shorten in-season re-forecasting cycles by 75%, from one month to one week. In addition, margins and return on net assets improved and inventory turns jumped 25 basis points on Staples' supply chain scorecard.

With Manhattan, Staples also obtained the means to leverage its supplier relationships—consolidating vendor order quantities and negotiating volume purchases. Advanced Planning's financial planning capabilities further enabled productivity, as it integrates top-down merchandise planning and bottom-up item planning processes.