



## Exceptional Leaders International

### SUCCESS STORY

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## Direct-to-Consumer Merchandiser Achieves Growth by Leveraging Acquisitions

### BACKGROUND

The client was a private-equity-backed acquirer and operator of multi-channel, direct-to-consumer merchandising companies. As they rapidly expanded their portfolio, acquiring more brands and a third-party logistics (3PL) fulfillment company, a strategic imperative of this household goods, gifts, and specialty apparel operator was to centralize and enhance operations in a major way.

### SITUATION

The company's objective was to foster organic growth by taking advantage of brand-independent marketing, creative merchandising, and inventory management, all while providing centralized support services — including fulfillment, customer care, finance, IT, and administration. In its acquisition of the initial five brands and the third-party logistics company, the consolidation and upgrade of IT became a top priority.

The challenge was formidable — they needed to integrate disparate information systems and the organizations that support them, even though the systems were running on a variety of architectures. Not surprisingly, the flurry of acquisitions had handed the company a large collection of dissimilar and unconnected applications, hosting environments, organizational capabilities, and management metrics and reports.

The E.L.I. Partner was engaged to rationalize the information architecture, assess the deficiencies and opportunities, and to develop — and subsequently execute — a strategic plan to enable the client to achieve its strategic objectives.

A detailed assessment of all aspects of the information technology platforms and organizations across the brands and 3PL fulfillment company, was performed and a “brand-standard” model was created around three specific areas:

- Firm-wide implementation of Forecast\*21 and Internet sales data mart and analytics to achieve robust brand-independent marketing, creative, merchandising and inventory management.
- Upgrade of the third-party logistics company Ecometry ERP System to provide a highly efficient, centralized order management, fulfillment and customer care shared service.
- Rapid integration and acceleration of synergies for all acquisitions through a standardized business, fast-turn management reporting system.

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## SOLUTION

Upon analysis of the organizational deficiencies and opportunities, the E.L.I. Partner, implemented and oversaw the following solutions:

- Detailed operational analysis of the order-to-cash functions within the organization and how those operations might be optimized.
- Assessment of technology infrastructure and systems architecture focused on a standardized commercial off the shelf solution with minimal customization with a sharper focus on the preservation of their current investment in hardware and institutional knowledge.
- Detailed financial modeling projecting the Return on Investment from the various options after implementation.
- A comprehensive selection methodology focused on the specific needs of the client and their ability to absorb the cultural and operational changes necessary.
- Selection of a commercial off the shelf system and third party applications to meet the current and future needs of the company.
- Analysis of their disparate and in some cases obsolete and unscalable platforms and support with options for upgrade and consolidation.
- Negotiation with multiple vendors of software, hardware, implementation services, and hosting services
- Creation of a governance structure and a program management office to oversee the successful implementation of the program.

## RESULTS

The E.L.I. Partner oversaw firm-wide implementation of a brand-standard business model and state-of-the-art systems for customer-centric order management and fulfillment. This included an advanced planning and forecasting system and e-commerce front-end, data martm and analytics and a fast-turn, standardized management reporting system. The results of the E.L.I. Partner's involvement not only streamlined operations between the existing organizations, they also paved the way for the rapid due-diligence and integration of future brands.

*This success story took place before the referenced E.L.I. Partner joined E.L.I. It is used here as an example of the types of services we offer and to display the experience and talent of the E.L.I. Partner. The formation of E.L.I. was driven by a desire to bring multifunctional expertise together in one firm.*