

How LEAFIO AI smart Planogram solution transformed pharmaceuticals and cosmetics distributor's merchandising

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LEWES, DE, UNITED STATES, December 10, 2024 /EINPresswire.com/ --PAPAELLINAS Group, a leading distributor in Cyprus, specializes in pharmaceuticals, cosmetics, and consumer goods. Serving hypermarkets, supermarkets, and grocery stores and operating its own retail cosmetics and health stores, the company offers products from renowned brands such as Beauty Line, Holland and Barrett, Yves Rocher, and Butterfly Beauty Store. Collaborating with 828 points of sale, the company manages over 700 SKUs on average.



To enhance merchandising optimization and streamline interaction with retailers on planogram implementation, the distributor has chosen to implement <u>LEAFIO Shelf Efficiency Planogram</u> <u>Software</u>.

Challenges and conditions for implementation:

Prior to implementing LEAFIO Shelf Efficiency, the display management process relied heavily on manual procedures. Category managers crafted planograms using different tools (Excel, Paint, or Adobe), which were then distributed to the sales department and merchandisers. These instructions were presented in brochure format, often updated every 2-3 years, resulting in potential obsolescence due to SKU changes. Updates to planograms were communicated via separate files, causing confusion and delays in implementation.

Communication problems for distributors in the retail business often arise from a complex

network of stakeholders ranging from manufacturers to retailers and ultimately end consumers.

Like many companies in the distribution industry, the company faced the following communication challenges:

1. Information Flow

Distributors need to relay crucial information accurately and efficiently between multiple parties. However, with traditional communication methods like emails or phone calls, there's a risk of miscommunication or delays in conveying important information such as product availability, pricing updates, or placement details (quantity of facings and exact place on the planogram).



2. Coordination

Coordinating tasks across different departments within the distribution network can be cumbersome. Without effective communication channels, there's a higher likelihood of bottlenecks or misunderstandings, which can affect the partnership with retailers and impact customer satisfaction.

3. Timeliness

In the fast-paced retail industry, timely communication is paramount. Delays in relaying information about promotions, new product launches, and changes in assortment range can lead to missed opportunities or excess stock, both of which can affect profitability.

4. Visibility

Lack of transparency and visibility into the status of tasks or orders can hinder decision-making processes. Without real-time updates, distributors may struggle to track the progress of deliveries, resolve issues promptly, and track agreed contract conditions on product presentation in retail.

5. Lack of control

There was limited feedback on planogram presentations from regional merchandisers as they hadn't seen the last updated version where new SKUs were included and old ones excluded or changes in the facings and branding of the shelves.

The inefficient communication methods with the merchandising team prompted the PAPAELLINAS Group management to seek a robust tool for streamlining the creation, implementation, and monitoring of planograms.

Implementation tasks

- Given the existing challenges and strategic goals, the new software had to solve the following tasks:

- Digitalize the process of creating planograms.
- Quickly update planograms for partner stores as needed.

- To establish the fast implementation of changes to planograms when the product is discontinued or new items appear.

- Reduce the time to execute planograms in stores.
- Control the process of implementing recommendations by partners.
- Reduce the time of communication between the teams.
- Establish effective feedback with the regional merchandising team.
- Reduce the number of losses and write-offs due to the lack of goods on the shelves.
- Enhance branding and boost sales.

Why the LEAFIO Shelf Efficiency solution?

C.A. Papaellinas Group selected LEAFIO Shelf Efficiency due to its cost-effective digital shelf management opportunities. The system is user-friendly and requires minimal maintenance post-launch, reducing support costs and time investment. Additionally, the option for future audits ensures ongoing effectiveness and support of the solution at optimal levels.

Implementation process:

A dedicated project team comprising a project manager, brand manager, and CIO spearheaded the integration of LEAFIO AI. Regular meetings and effective communication via project chat ensured ongoing control and facilitated necessary adjustments. In addressing specific challenges, IT specialists and the client's merchandising team were occasionally engaged. Comprehensive training sessions were conducted for category and brand managers, the office merchandising team, regional merchandisers, and the commercial director to ensure seamless adoption.

The implementation followed a standard project roadmap:

1. Integration

Despite the fact that this stage took place in August, when the company was mostly out of business, the team managed to update the data in the ERP system and organize merchandising processes without delay.

2. Pilot launch

Despite the New Year's Eve period, this did not prevent us from conducting online training and workshops for employees, as well as creating three planogram formats for one product category.

3. Scaling up

At this stage, PAPAELLINAS Group specialists took additional training and mastered the principles of working with the LEAFIO Shelf Efficiency mobile application. Planograms were also created for two more categories. The implementation team made sure that the merchandising tools were used as efficiently as possible.

Main Implementation outcomes:

The PAPAELLINAS Group persists in refining its merchandising operations. Currently, the merchandising department updates planograms, which are subsequently verified by category or brand managers. Then, each store undergoes inspection along with a photo report to ensure adherence to partners' agreements and planogram implementation. To boost further planogram digitalization, the LEAFIO Customer Success Team helps in creating the majority of planograms for swift deployment, thereby reducing the workload on the distributor's merchandising team.

Consequently, the implementation of the LEAFIO Shelf Efficiency system has yielded several notable benefits for the distributor.

- Centralized Platform
- Real-time Updates
- Task Automation
- Digitalization

About LEAFIO AI

The LEAFIO AI Retail Platform provides robust, adaptable, and dynamic automation solutions designed for retailers, distributors, and CPG manufacturers. Serving over 200 companies across 30 countries, LEAFIO AI helps clients maintain market leadership, enhance resilience against disruptions, and boost revenue with improved profit margins. Utilizing AI-driven technology, LEAFIO AI creates sophisticated software solutions for essential business processes, including supply chain management, inventory optimization, merchandising, assortment performance, and promotion forecasting.

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