

URBAN SCENE

'OK, are we all here? I see Martin for information systems, Jean for finance, Tony for marketing, Stephanie for buying, David for operations, and you all know Suzanne and James, our new regional store managers, right? That's everyone. Let's get this meeting under way.'

Lucy Slade, the chief executive of Urban Scene, was calling to order the quarterly strategic planning meeting of her top managers. Lucy was a young executive who had studied Fashion and Textile Management at Nottingham Trent University. She started in the business by designing her own clothing line and selling it on commission to other chains. But she wasn't satisfied with that small niche and needed to accomplish more. No stores in which her fashions were sold had the image that she wanted her clothes to convey – they were too boring and not edgy enough for today's teens. So, she took the next step and opened her own store, making sure it fit her clothing's image. The response from teens had been gratifying. They considered it their first choice for cutting-edge designs. From her first store, she'd gradually built a small chain of 40 shops and expanded from selling her designs to including other manufacturers' compatible lines.

'First, let me tell you some exciting news about our own Lucy's Signature and Streetwear lines. I've been working with Martin and his IS staff on speeding the design-to-manufacture time frame. We've also pulled in operations – thanks, David – to help set up a new supply chain system with our Asian manufacturers. I'll save the details for later, but essentially, we're setting up a digital design system to speed the manufacturing cycle. It's critical that our signature clothing move from inspiration to manufacture in weeks – not the months that it has taken before. Once the new system is operating, we should be able to get new fashions into our stores in six to seven weeks. That's a new

record, considering the physical logistics of getting the clothes to the UK in the first place. But we absolutely have to keep our designs fresh for our customers.'

Lucy turned to Martin Tate, the firm's chief information officer. 'Martin, let's hear from you on the new information systems implementation. How is the integration of the sites going?'

Uniting the chain's information systems

'We're bringing each site on board the new enterprise resource-planning system starting this summer.'



Right now we're concentrating on one region at a time. We're meeting some resistance from the local store staff. They've used their existing systems for such a long time that they're hesitant to change. But I'm sending my four IS professionals out to visit each site in their regions with the timetable for implementation and the information packs. The store managers need to be assured that we'll be training them – and their staffs – before we make the switch. Once they see how the new system will streamline their processes, I think it'll help. But since Outer London is first in line, it will be the test for the rest of the system. I'll keep you informed weekly as we move ahead.'

'Let me know if you encounter stiff resistance, okay? I'm planning to visit the stores myself and can speak with the store managers to bring them all on board. Most have been with us from the start, so I think a word from me will help, if you need it.'

Finalizing budget numbers for store redesign

'Jean, have we wrapped up the budget for the store redesign now? Did we hit our numbers for the new spotlighting and sound systems?'

'When I checked the numbers for total costs, we were under budget for the lighting, but retrofitting the sound systems into some of our older shops was challenging. Luckily, our industrial design allowed us to hide some of our wiring in exposed pipes. So, overall, we were over budget by about £2500, which was within our margin for error. I'll bring the numbers by after our meeting so you can check them.'

'Thanks, Jean. Glad that effort is wrapping up. It's critical that the store atmosphere be right. We want our customers – both guys and girls – to enjoy their shopping experience.'

Supplying information and systems for marketing

Lucy turned to Tony Martin, her vice president of marketing, next. 'Tony, two things: how are we doing on clearing out the spring inventory? We need to keep new merchandise flowing into the shops. And how are the sales promotions and planning for the summer coming?'

Tony responded, 'We're changing the rack displays every other week to keep fresh styles in front of customers. And I'm checking with the district sales managers and each shop's sales staff to go over their receipts to see what is hot in each area. The sales associates have been a big help to me to fine-tune for local tastes. They're a real gold mine of trends and ideas. From their verbal feedback we gathered yesterday, superbaggy guys' jeans are going over great in the northeast, and the low rider cargo skirts and logo tees are a hit with women in the southeast. The women's platform shoes and flip-flops are moving well across the board. And accessories will be big for summer sales. We'll need more stock in the next week or so.'

'Great. Work with buying and operations on restocking, okay? Let's take advantage of the automated order system. And let's also look into some summer sales – last year's sales really boosted our numbers.'

Lucy shifted her focus to Stephanie and David. 'OK, buying and operations, can you briefly highlight our international goals and operations?'

Going global for buying and operations

Stephanie Viner, the head buyer, started first. 'As you know, I'm working a season ahead of the rest of you. I just returned from the winter fashion shows in Milan. In a couple of weeks, I'll head to New York – a new frontier for us. Lucy wants us to start thinking globally, and we need to learn more about the US fashion scene. I'll be looking to develop relationships with local firms, and Lucy is joining me for the trip. If we can buy from and sell to America, it's an exciting opportunity for the company. But we have to do it right. Farther down the road a couple of years, we're also looking into the Asian market – Japan as a foothold to start. But more expansion in that region will be contingent on our success in America. You'll be hearing more from us as we firm up additional plans.'

David Moore, head of operations, spoke next. 'Lucy already told you about the upcoming system for speeding design-to-manufacture time frames. With most of our manufacturing in Asia, we needed a way to get the designs to the various shops faster. So that system will cut our time frames substantially.'

Building an e-commerce effort

Suzanne and James, the new district shop managers, were the last to report. Suzanne spoke up. 'James and I want to propose that Urban Scene move into e-commerce. We've been talking with shop personnel, and they want to build a website to expand sales. Several of the sales associates are pretty handy with computerized design already. Many of the large chains have established websites to provide additional service for their customers. Since our customer base is teens, who are generally web savvy, it makes sense to try to capture the online market, too. Besides, our high-tech, cutting-edge image fits well with an online presence. If we don't satisfy that market, someone else might. So, we're formally bringing the request here to consider that project.'

Lucy nodded. 'Okay, we can explore that. But I don't want our site to compete with our current shops. Other companies have had problems with websites cutting into shop sales. We don't want to cannibalize existing sales. So let's think of a way to link the two. Also, I'd want the website to mirror our new store image. We've just spent a lot of time and company money upgrading the design of our shops, so let's capitalize on those efforts. We have

to have a coherent look and feel to all Urban Scene products and sites. Would you and James get a formal proposal and costs together? You'll need to speak with both Martin and Jean for technology and costs, and then we need to consider David's supply and warehousing end to support the site. Shipping products directly to customers and allowing for their returns would affect our warehouse operations drastically. We aren't currently set up to handle that. Tying everything together is critical, but at least we don't need to start from scratch for operations. Anyway, see what you can come up with in the next few weeks, and when I get back from the States, I'd like to see the plan.'

'Sounds fine.'

Lucy scanned the room and her managers' faces. 'I think that about does it for now. Thanks, all of you, for your dedication. Keep the new ideas coming – we need fresh thoughts all the time. Anything you can come up with to cut costs, boost sales, and streamline operations contributes in a very real way to our bottom line. We have a great team, starting with all of you here and extending out to our shop personnel. Retailing is always a highly competitive industry, and these are tough times, as you know. But let's keep moving ahead. Now let's eat lunch!'