



Interview with Dave Hogan, CIO of NRF

Retail Technology in 2010



Dave Hogan has been the Senior Vice President for Retail Operations and the Chief Information Officer at the National Retail Federation since 2002. Hogan heads the NRF's CIO Council and also provides oversight for the Association for Retail Technology Standards and

the NRF's loss prevention and sustainability initiatives. He also serves on the European Retail Technology Council and the Strategic Supply Chain Council.

In this interview, Hogan, who has worked in senior level positions with Duty Free Americas, Lane Bryant, and the Kobacker Company footwear retailer, looks at key trends he foresees impacting retailers and their supply chain partners in 2010.

RedPrairie: What are you seeing in the industry today?

Dave Hogan: Retailers are really counting on analytical tools that can help them dictate what demand trends they will be seeing in the future, and they're getting more and more sophisticated with these analytical tools every year. Now they can take assortments down to the local level, to the different price points as far as what is selling. For a specialty apparel retailer, they're now able to look very clearly at the different price points of color/size combinations even. Retailers are then leveraging that data through a comprehensive planning process that helps them plan more accurately for the next season.

RedPrairie: What are you seeing in the supply chain?

Dave Hogan: From the ordering process, I'm seeing a lot of companies looking to basically collapse or streamline the entire supply chain process to work with manufacturers much more collaboratively and try to squeeze days out of the ordering cycle. Traditionally, retailers have done a good job of doing the post-mortem with the historical sales data they have on hand, but now they are taking that information to the next level and making it actionable for the next planning cycle.

RedPrairie: What impact is collaboration between supply chain partners and retailers having on the industry today?

Dave Hogan: It is having a tremendous impact. Quite frankly, effective collaboration between supply chain partners and retailers is what is separating the winners from the losers in this economy and in this industry. A lot of merchants scaled back and inventories right now are very lean after everything we've gone through over the past two years. If you're going to be out of stock on something, you're going to want to be out of stock on a marginal item and not a high profit item. Open buys have been cut, forecasts have been cut. From the consumer's perspective, inventories are going to continue to be lean and the markdowns are going to be few and far between. So if they're looking for a particular item and they like the price, they might not want to shop around too much, because the item might not be on the shelf when they come back.

RedPrairie: As the economy starts to recover, what should retailers not overlook when they look to reinvest and address their supply chain challenges?

Dave Hogan: That's a tough question to answer. You know, companies can't just introduce some new technology at the drop of the hat to try to answer some economically driven supply chain challenge. Implementing a new technology takes a lot of planning. It could take months before an IT decision is made, so they can't just look to hardware and software as the solution to their problems. Whatever they do, they need to really examine their underlying business processes and make sure that whatever they do, it's being done in an efficient manner, it's taking cost or days out of the process, and it's easy to monitor and track.

RedPrairie: What will it take to be one of the winners in the next year or two?

Dave Hogan: It's going to be a challenge, over the next 12 to 18 months, for retailers to look into the crystal ball and try to figure out what their inventory position needs to be for the next spring, or for the next back to school, or for the next holiday season. It's going to be tough, but I think the ones that are able to stay nimble and react to trends quickly as far as sourcing products within the supply chain are the ones who are going to be successful.

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