P'X
PERSPECTIX

Digitize It

User Report
MIGROS

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In big steps towards digitalization

MIGROS

Interview with:
Markus Meier &
Tanja Peng
Migros-Genossenschafts-Bund

The Migros community uses the P´X Retail Store Solution from Perspectix AG for planning and 3D visualization of the new buildings and conversions of its stores, thus optimizing store planning. In addition, the software has been used since the beginning of 2019 for visual merchandising, shelf planning and assortment optimization at around 600 points of sale. The end-to-end solution creates considerable synergies that will be fully exploited in the ongoing digitization process over the next five years.

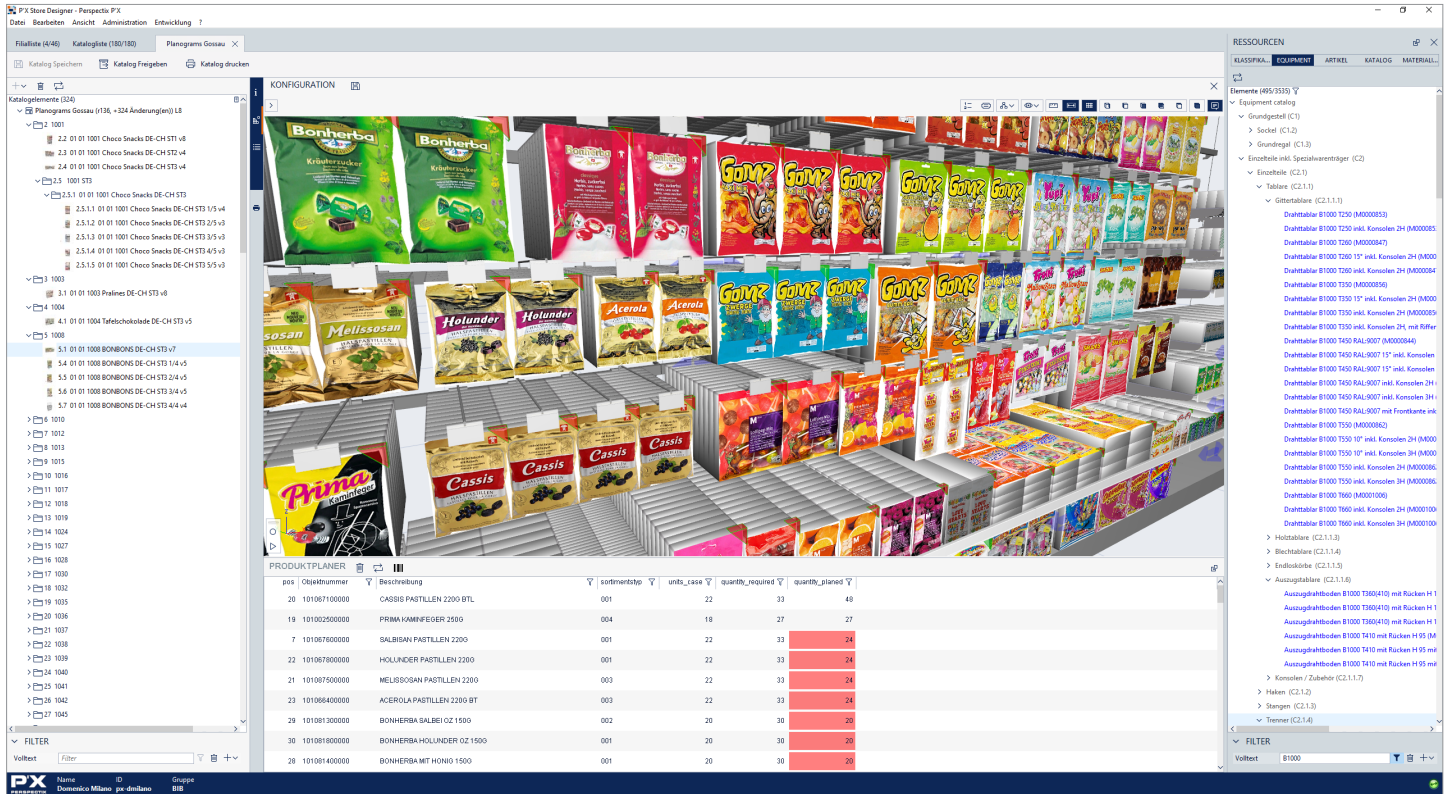Founded in 1925 by Gottlieb Duttweiler, Migros today comprises the Migros-Genossenschafts-Bund (MGB) as well as ten cooperatives belonging to more than 2.2 million members. With around 600 sales outlets and the four specialist stores Do it + Garden, SportXX, Micasa and Melectronics, Migros is the largest retailer in Switzerland. In 2018, Migros was able to further expand its leading role in e-commerce and retail trade. In total, more than 106,000 people generated an annual turnover of 28.5 billion Swiss francs. This growth is accompanied by a continuous increase in efficiency, among other things through the use of new software and the digitization of business processes.

3D visualization of points of sale
The cooperation with Perspectix AG began as early as 2014. Some specialists from the MGB started an evaluation phase for suitable 3D visualization software in order to optimize the planning of new

buildings and conversions at their points of sale. After several presentations and workshops with various providers, coordination with the ten cooperatives and IT clarifications, in spring 2016 the decision for the implementation of P'X Retail Store Solution at Migros was driven. Today, the software already supports national and international retail chains in 3D store planning and furnishing as well as in assortment and optimization according to product groups and sales areas. The solution will be integrated into existing systems and successfully supports the digitization of retail management processes.

This requires a high degree of flexibility for customer-specific adaptations. In a first step, the Migros Zurich cooperative took on the task of setting up a national furnishing library with 3D objects of all racks, product carriers and other sales assistants. "Our database now contains over 1,000 components for all supermarkets and hypermarkets, as well as our four specialist stores," reports Tanja Peng, Head of Area Planning at MGB. "In the future, a central handling point will provide all necessary objects in a uniform form and quality."

Accelerated planning process without reserves

Meanwhile, three of the ten cooperatives already have experience with 3D visualization. In the first planning stage, the CAD plans of the points of sale are imported and the assortment worlds are assigned on a percentage basis. In the next step, the basic racks and product carriers required from the point of view of the product range are placed. The result is a 3D view of the store, which visualizes the structural conditions as well as the routes and assortment distribution. In a further step, the separately created planograms are imported onto the planned product carriers. Finally, a detailed overview of the goods carrier requirements to be ordered with all point-of-purchase elements, shelves, rails, hooks, sales assistants and shopfitting accessories is created. This contains all the information required for the order and can be broken down by supplier as required. "We can now order the demand much more precisely without having to plan for reserve quantities," reports Tanja Peng. "The 3D visualisation enables decision-makers to check the plans in more detail and assess them more reliably. This reduces the number of planning errors." The area manager for area planning sees a further advantage in the considerably faster planning process. Thanks to the continuous planning and equipping of a point of sale and the corresponding printouts, the entire process is simple, accurate and error-free.
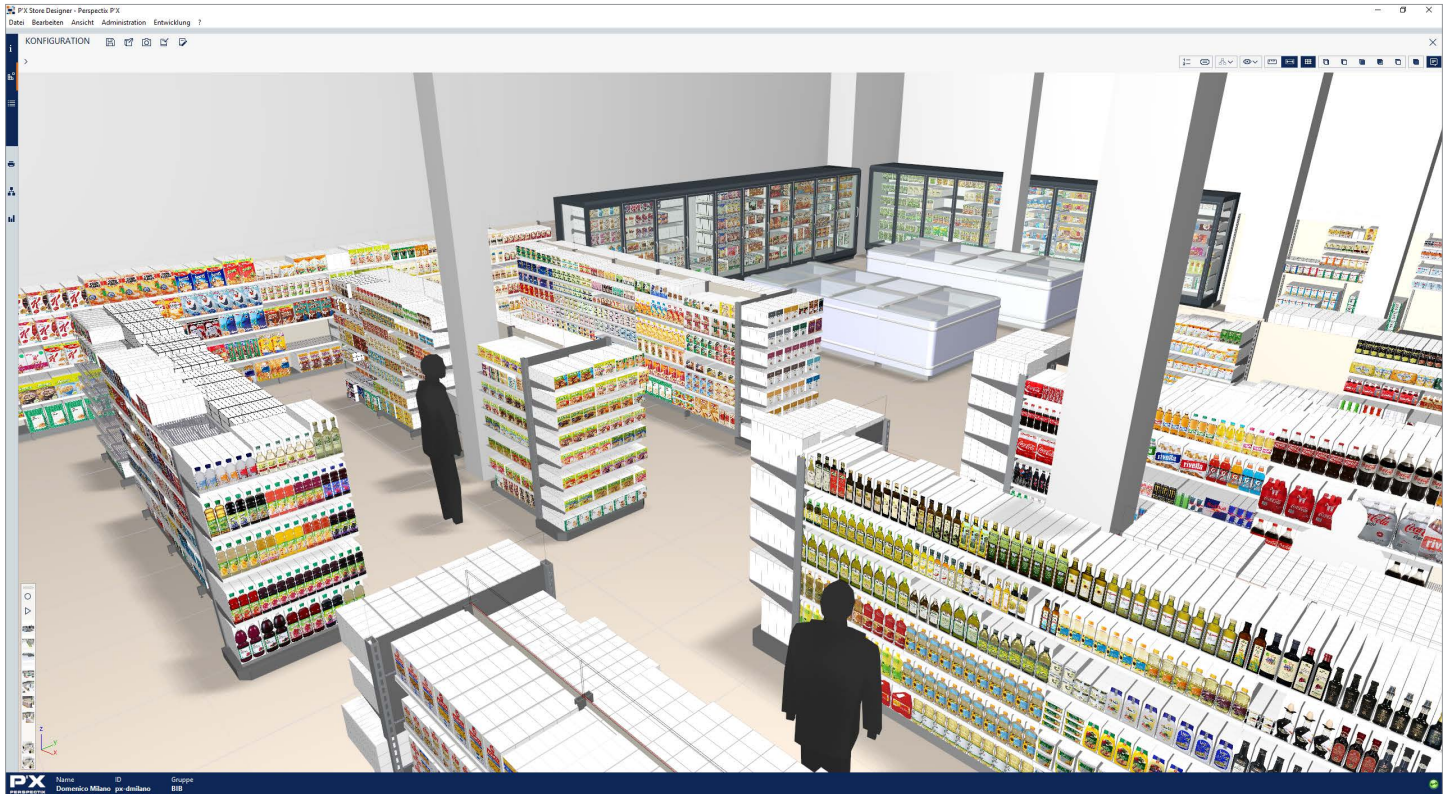
Roll-out as required

With around 60 sales outlets that have to be replanned or replanned each year, these advantages have a significant impact. That's why all Migros cooperatives are striving to get ready for adoption of

Markus Meier
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Tanja Peng
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the P'X Retail Store Solution. To this end, user training courses will be organized by the end of 2019 and corresponding training documents will be prepared. Each cooperative then needs at least two power users for a smooth introduction of the tool. "Everyone is convinced of the high benefit," says Tanja Peng. "Our ambitious goal is to have 3D visualizations of all points of sale. But it will be a few years before that happens."

Change of assortment in the supermarket

In the meantime, the P'X Retail Store Solution also convinced in visual merchandising. Since 2005, shelf optimization software was used to plan assortment changes very professionally, with a high level of detail and efficiently and quickly handle shelf changes at the points of sale. "Unfortunately, we lacked the further development possibilities in the tool," says Markus Meier, Head of Visual Merchandising. The evaluation phase, in which the solutions of seven different software providers were tested, lasted over twelve months until the end of 2017 when the decision was made in favour of Perspectix.

The joint project started in August 2018 and the migration of the existing data to the new environment began in January 2019. "It was a great challenge in the short time to transfer all the data and required a lot of energy and commitment from all involved," reports Markus Meier. "But Perspectix

has responded very well to our needs, everyone has pulled together. "Twelve employees now use the P'X Store Solution to create around 5,000 planograms per year for the Migros supermarkets. Another four colleagues create planograms for the specialist stores. In addition to all food and near-non-food products, a part of the fresh produce is also taken into account. "We create several layouts for each assortment to take account of the different points of sale and their size, sometimes with up to ten updates per year," explains Markus Meier. A connection to the merchandise management system ensures consistent planning and up-to-date data quality at all times.

Automatic replenishment of goods

The shelf optimisation software links the dimensions of the racks, the information from the article master data and the sales figures of the products. "In this way, we know the exact quantities that can be stored on the shelf and determine the necessary stocking per planogram," reports Meier. "In this way, we create the basis for the initial stocking and ongoing goods management per sales outlet in order to avoid out-of-stock situations. As soon as the reorder levels in the stores have been reached, replenishment is called up automatically."

About Perspectix

Perspectix AG in Zurich implements sophisticated software solutions for technical sales and store planning. Since its foundation in 1996, the company has continuously developed into a technologically leading solution provider for the sale and project planning of products with many variants. Users of the P'X Sales Solution benefit from experience from complementary user industries: Mechanical engineering, plant construction, electrical engineering, furnishing, shopfitting, storage and logistics systems. The P'X Retail Store Solution provides users with a tailor-made solution for store planning, assortment design and store evaluation. By combining sales optimization, graphic project planning and product lifecycle management in a forward-looking technology, Perspectix is now a strategic supplier to well-known manufacturers and retail chains as well as a partner to leading IT houses.

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Improved communication with points of sale

The P'X Retail Store Solution creates planograms for all 600 sales outlets and specialist stores and makes them available online as PDF files. "In the future, local sales staff will have access to the planograms on mobile devices," says Markus Meier, who already sees potential for further development. However, he is satisfied with the benefits of the solution: "We are already achieving high quality, generating fewer errors in stable operation and reducing our operating costs," says Markus Meier. "A homogeneous system landscape without media breaks and the synergies between space planning and merchandising bring further advantages. And last but not least, the high usability allows us to process our product range changes more efficiently."

Higher automation in the future

But the medium-term planning envisages increasing the benefits even further: In June 2019, we already started a follow-up project with Perspectix in order to be able to generate planograms automatically in the future. We are developing an algorithm that allows us to create store-specific layouts with the help of a set of rules, a corresponding article list, associated key figures and information on the available shelf meters at the location. The first planograms should be available from 2020. "We are using last year's momentum to continue our cooperation with Perspectix," concludes Markus Meier.

About Migros

With a turnover of 28.5 billion Swiss francs (2018), the Migros Group is the largest retail trading company and, with 106,622 employees, the largest private employer in Switzerland. Migros is owned by around 2.2 million members of the cooperative, who are organised in ten regional cooperatives. These operate the core business of Migros, the retail trade in around 600 sales outlets and four specialist stores.