



## ADEO Leroy Merlin: With Perspectix towards Digital Retail Management

As a major actor on the worldwide Do-it-Yourself (DIY) market, Leroy Merlin, founder of ADEO Group, strives to streamline and digitize processes in store design, merchandising and assortment optimization on a worldwide basis. As a result, in 2016 the P'X Store Solution from Zurich based Perspectix AG was selected and at first implemented in the fast-growing market of Russia. By now, the worldwide roll-out has already begun.

Founded in 1923, Leroy Merlin formed the group ADEO in 2007 to boost worldwide expansion plans. Since then, ADEO strived for a single, consistent solution for store design, equipment planning, merchandising and assortment optimization for about 700 Do-It-Yourself stores (DIY) in twelve countries of the world. In need was a software connecting merchandising, planning and cost management of the furniture as well as the purchasing department. In 2015, plan was substantiated and the evaluation of an internationally deployable software solution began. The project management was in the hands of Philippe Mougeot, Director Marketing for Leroy Merlin Russia, where the pilot project should start: „Every





year, we open about 20 new DIY-markets in Russia. We can only manage this growth with a new, comprehensive software solution for digital retail management.”

#### Evaluation process: David vs Goliath

Perspectix had already presented their P'X Store Solution at Leroy Merlin in France in 2014, when a department aimed at better processes in store design and product carrier management. In the beginning of 2015, the interested parties expanded to Category Management, who was evaluating the software's features for assortment planning. In February 2015, a severe evaluation process of the whole group was started, including five of the world's best software providers for this business – and Perspectix was included as the smallest among them. The Zurich-based company and had only little experience in Russian retail market. „But the software matched our requirements better than the others, said Philippe Mougeot. „And the company responded very agile and flexible to our needs.” The definitive decision was driven after workshops with each of the five vendors: Every provider had the opportunity to show seven scenarios of a given point-of-sale planning process, which were rated by a jury with representatives of all departments involved. With 8.3 out of 10 points the P'X Store Solution won the best total, the next competitor achieved only 7.5. Additionally, the solu-

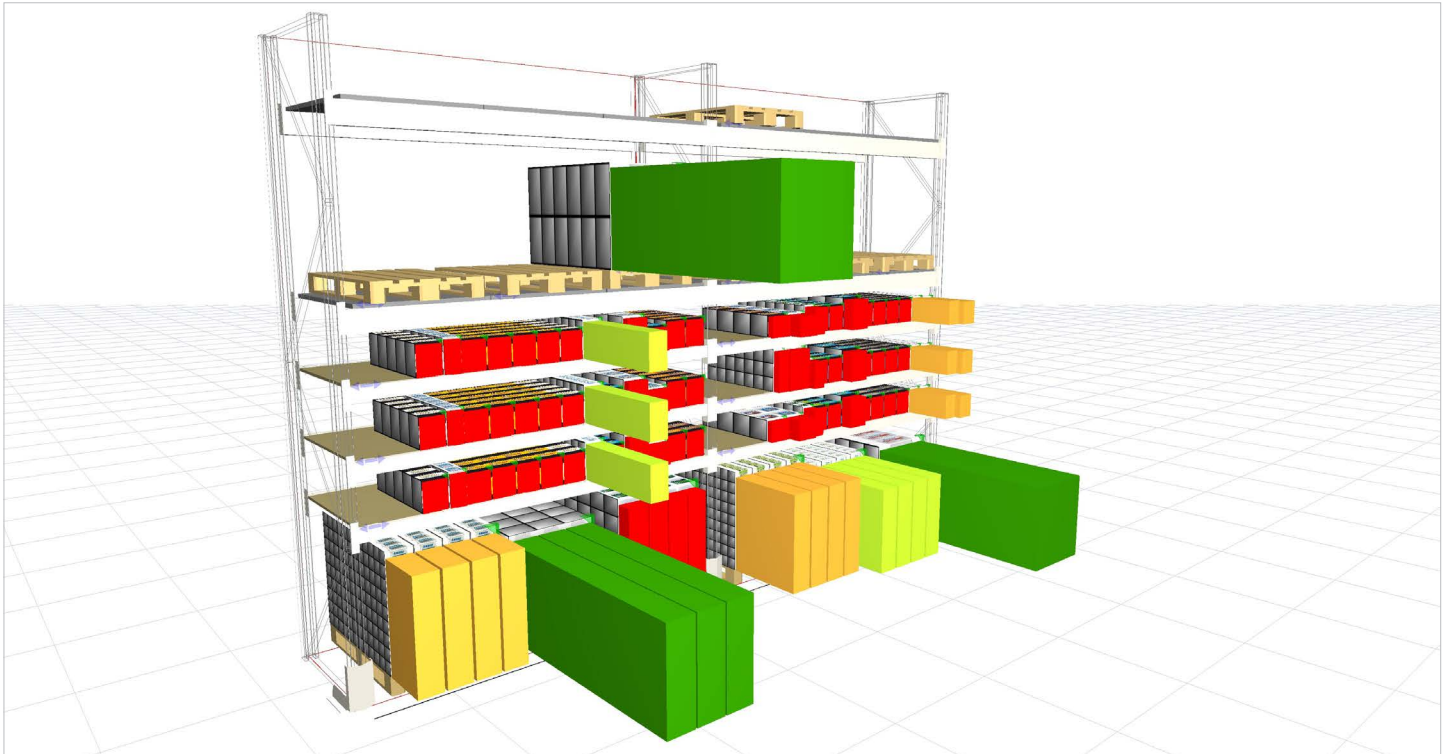
tion had to prove its capabilities during a stress test. „We wanted to prove how the software would perform with some thousands of 3D furniture models and data of about 400.000 products”, Mougeot explained. The result was a success. Perspectix didn't offer the lowest price for the whole project, but the expected costs were in line with the budget. In March 2016, the final decision for the P'X Stores Solution's worldwide deployment was driven, starting with the pilot implementation in Russia. Step by step, P'X is planned to become the ADEO group's core solution for store planning and optimization.

#### Implementation fosters expansion in Russia

During the following 18 months, Leroy Merlin worked with Perspectix on the architecture and the systems' database as well as the training of staff members. A standard store covering 10.000 square meters of space was defined. „The project contains more than 1.500 equipment objects, from a screw up to shelves and mobile walls”, Tatiana Kolunova reports, Responsible for Merchandising at Leroy Merlin Russia. „The light-weight 3D models are grouped in catalogues and can be placed in the masterplans per drag-and-drop.” Nearly 35.000 products of 15 assortment groups, from kitchen to electricity, have to be placed for promotion. „We have just finished the work on the planograms for the standard store”, Tatiana Kolunova says. „We now organise on site trainings for the

#### About ADEO Leroy Merlin

ADEO is a community human-scale companies. This is a community of 100,000 employees who create new ideas and help people all over the world to make their dream of a better home come true. Our strength and driving force is to feel useful in everything we do. Established in France since 1923 and pursuing its international development ambition since 1983, ADEO has enjoyed a long history of success. In 2007, Leroy Merlin Groupe changed its name, becoming first GROUPE ADEO and then, in 2014, simply ADEO. As the founding enterprise of the ADEO, LEROY MERLIN specialises in sales of products and solutions and, in doing so, makes a unique commitment: to provide home improvement solutions tailored to each customer's specific needs. Today, Leroy Merlin runs about 700 do-it-yourself stores in 12 countries of the world. More about ADEO and Leroy Merlin: [www.adeo.com](http://www.adeo.com) and [www.leroymerlin.com](http://www.leroymerlin.com)



responsible staff, so they will later be able to proceed their modifications." For that purpose, several workshops of about three to five days with two Perspectix representatives are carried out in Zurich and Moskow.

The annual changes of the assortment are executed in the headquarters. Then the planograms will be sent to each DIY-store for execution. In September 2017, the micro- and macroplanning as well as the ordering of materials for the first new DIY-market will be completely processed using the P'X Store Solution. Already shifting from marker and excel file to a persistent solution will generate giant savings. „Before using PX'5, one of the 35 trucks with equipment we deliver to a new market, often was too much", Philippe Mougeot reports. „With better information for everyone, these goods can be saved, as well as the overstock and diminishing of equipment in the shops."

#### Integration with ERP and Business Intelligence

The internal system RMS for Enterprise Resource Planning (ERP) uses a vast product database made by Oracle, which will be connected bi-directional with the new planning solution. Today, spreadsheets are exported and fed into the P'X Store Solution. A Business Intelligence (BI) software delivers information like sales numbers, minimum inventory, stock

turnover and other key figures. With this data in the new planning tool, it is possible to match the assortment more exactly to the customer's demands. „Some items are always sold out, others conquer too much space on the shelves", Mougeot says. „With the coherent digital solution we gain more efficiency and turnover." Today, 40 staff members are already trained for the P'X Store Solution. In the next year, 75 markets will require about 100 trained users.

#### Starting roll-out in Europe

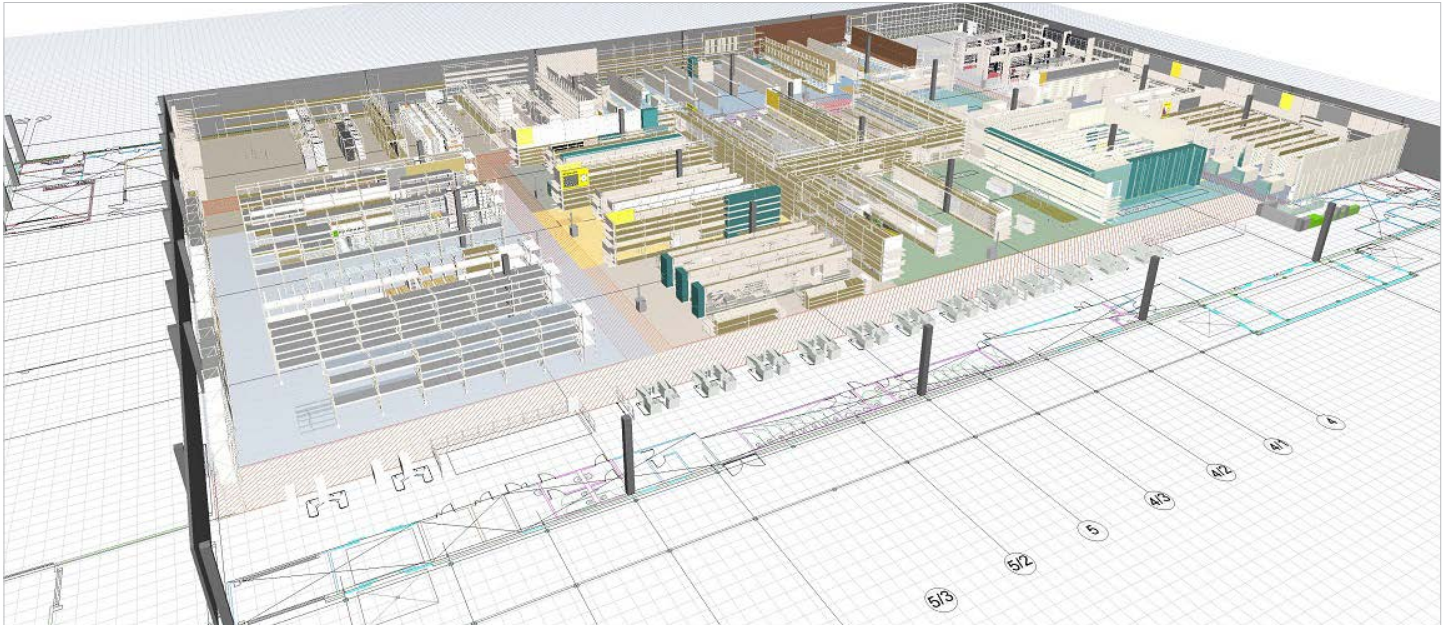
In the other business units of ADEO in France, Italy, Spain or Polen, today the planning of markets is supported by the drawing program Visio. „The transition to the new 3D technology might be difficult for people used to drawings", Philippe Mougeot explains. „Also, there is no standard DIY market in these countries. They are very individual and differ a lot from each other." During the implementation project, the partners are working on simplifying functionality and user guidance as well as the planning processes required, based on the current user feedback. „We are improving our prototype with all the experience we have gained in Russia"; Philippe Mougeot says. „The tight teamwork with Perspectix and the direct contact are very important. We can communicate our change requests directly without loss of information and all the changes are implemented fast and flexible."



Philippe Mougeot  
Marketing Director



Tatiana Kolunova  
Merchandising



### Business benefits

The new possibilities of a coherent planning of stores, furniture and assortment lead to better information and communication of involved parties and produce synergetic effects along the process chain. „The stunning visualization gives a good understanding of reality”, says Mougeot. „This is particularly helpful when it comes to decorative products like wall papers or curtains.” The in-detail interior planning, linked to the functionality for ordering furniture, increases efficiency as well as profitability. „Our orders are now matching the real needs much better”, Philippe Mougeot confirms.

Another major advantage results from the linkage of the planning tool to the real sales figures. „Using Business Intelligence (BI) software, we can adjust stock turnover, shelf spaces and minimum inventory to gain more turnover”, Tatiana Kolunova explains. A preselection of correct product carriers for the calculated maximum weight load of goods in the P'X Store Solution means higher safety for customers and staff members.

### Next challenges

The P'X implementation in Russia has been time consuming, Philippe Mougeot summarises. For example, the time difference of eight hours in Russia demands 24 hours of support. But the straight teamwork with Perspectix, the solution's high flexibility and the high performance of people made the project a great success. „We are looking forward to gain more of speed and simplicity in all further countries scheduled for the roll-out and to face these challenges together with Perspectix.”

### About Perspectix

Perspectix AG in Zurich implements sophisticated software solutions for technical sales and store planning. Since being founded in 1996 the company has continuously developed into a cutting edge solution provider for the distribution and project planning of multi-variant products. Users of the P'X Sales Solution benefit from the experiences from complementary user branches: Mechanical engineering, plant engineering, electrical engineering, furnishing, store building, warehouse and logistics systems. With P'X Store Solution users get a tailored solution for store planning, product range configuration and branch evaluation. Due to the combination of sales optimisation, graphic project planning and product lifecycle management in a future-oriented technology, today Perspectix is a strategic supplier of well-known manufacturers and chain stores as well as partners of leading IT companies.