

WORKED EXAMPLE (ILLUSTRATIVE)

Data strategy for a multi-channel specialty retailer

From vision to scorecard, one level at a time

THE SO WHAT OF THIS DECK

See how an offence-led retailer turns customer and stock data into margin, and adopt its rule of reading every pilot against a control group.

THE SITUATION

A specialty home and kitchen retailer with about 140 stores, a fast-growing online business and a loyalty programme that captures most transactions. Full-price sell-through is falling, markdowns are rising, and stores and online still plan stock separately. The strategy must turn a rich but fragmented customer and product data asset into sharper prices, better ranges and the right stock in the right place.

What we decided at each level, and so what

Level	What we decided, and why	So what for the data strategy
Vision	Leadership framed the vision around trust and home-making wherever people shop, signalling that stores and online must behave as one retailer.	Build one consented customer profile across loyalty, web, app and stores, because the vision fails if each channel sees a different customer.
Mission	The mission promises curated products, expert advice and seamless service, which depends on knowing both customers and stock across every channel.	Treat customer, product and stock as the three core data domains and name an owner for each in the first month.
Strategic choices	Leadership chose to win on relevance and range rather than everyday low price, ruled out a marketplace, and put consent ahead of reach.	Make the consent register a gate on every personalisation use case, so growth never outruns what customers agreed to.
Themes	Four themes attack falling full-price sell-through from both ends: demand through relevance and range, supply through pricing and one stock pool.	Fund markdown optimisation early, because rising markdowns are the fastest margin leak to stop.
Strategy map	The map shows unified customer and product data (L1) feeding both personalisation and stock allocation, and fair prices (C3) supporting customer recognition (C1).	Because pricing affects trust on the map, give pricing models guardrails and merchant override from the very first pilot.

What we decided at each level, and so what (continued)

Level	What we decided, and why	So what for the data strategy
Data objectives	Four objectives are offensive (customer profile, forecasts, markdown, stock view) and two defensive (consent and product data, pricing governance), matching the 70 per cent offence posture.	Keep the defensive pair small but non-negotiable, because a consent breach or an unfair price would undo the growth case.
Scorecard	Spend per member, markdown and stock cover are the lag measures; identified transactions, attribute completeness, forecast error and experiments run are the leads.	Read every pilot against a control group, so the scorecard shows uplift caused by data rather than by the season.
Portfolio	Personalised offers and markdown timing scored highest on value and feasibility; stock allocation is high value but waits on the unified stock position.	Start with markdown and personalisation, because they need only customer, product and price data the retailer already holds.
Roadmap	H1 builds the customer profile, product data and a markdown pilot; H2 adds forecasting and the single stock pool; H3 takes range planning and personalisation into stores.	Do not start range planning until forecast error is near target, because ranges built on weak forecasts lock the error in for a season.

The cascade: vision to choices

Leadership chose to win on relevance and range rather than everyday low price, ruled out a marketplace, and put consent ahead of reach.

Vision	To be the place people trust first for making a home they love, wherever and however they shop.
Mission	We help people cook, host and furnish with curated products, expert advice and seamless service across stores, web and app.
Winning aspiration	Be the most relevant specialty home retailer for our core customers, growing share of wallet through personal, joined-up service.
Where to play	Home-making enthusiasts in our loyalty base, especially new homeowners and keen cooks; Stores, web, app and click-and-collect run as one channel, with stores as local fulfilment hubs; Home market only, with a curated range in kitchen, dining and soft furnishings
How to win	Personal relevance: offers, content and recommendations driven by what each customer buys; Sharper, faster pricing and markdown decisions by product, store and week; One stock pool across stores and online, so availability rises and markdowns fall
Capabilities	Unified, consented customer profile from loyalty, web, app and store transactions; Demand forecasting at product, location and week level; Price and markdown optimisation with merchant override; Omnichannel stock visibility and order orchestration; Test-and-learn discipline across marketing and merchandising
We will not	We will not compete on everyday low price with mass discounters; We will not open a third-party marketplace in the strategy period; We will not use customer data in ways customers would not expect; consent comes first
so WHAT	Make the consent register a gate on every personalisation use case, so growth never outruns what customers agreed to.

Strategic themes

Four themes attack falling full-price sell-through from both ends: demand through relevance and range, supply through pricing and one stock pool.

T1 Personal relevance

Use customer data to make every interaction more relevant and grow share of wallet.

T2 Smart pricing

Price and mark down by product, store and week to protect margin.

T3 One stock pool

Plan and fulfil from a single view of stock across stores and online.

T4 Range that sells

Buy and range from demand evidence, not last year's plan.

SO WHAT

Fund markdown optimisation early, because rising markdowns are the fastest margin leak to stop.

Strategy map: cause and effect on one page

Illustrative. Arrows run from cause to effect; learning and growth enables process, process serves customers, customers drive the financials.



SO WHAT

Because pricing affects trust on the map, give pricing models guardrails and merchant override from the very first pilot.

Posture: 70% offence, 30% defence

Growth and margin hinge on personalisation, pricing and inventory decisions, so most effort goes to analytics and data products; a fixed share protects consent, product data quality and pricing governance, which customers and regulators expect.

Defence objectives

- D5 Enforce consent, privacy and product data quality rules at source
- D6 Govern pricing models with guardrails, audit trail and merchant override

Offence objectives

- D1 Build a consented single customer profile across loyalty, web, app and stores
- D2 Deliver demand forecasts at product, location and week level
- D3 Give merchants elasticity and markdown recommendations for every line
- D4 Provide one live view of stock across stores, warehouses and in transit

Data objectives, traced to the strategy map

ID	Data objective	Serves	Type
D1	Build a consented single customer profile across loyalty, web, app and stores	L1, P1	Offence
D2	Deliver demand forecasts at product, location and week level	P3, P4	Offence
D3	Give merchants elasticity and markdown recommendations for every line	P2, F2	Offence
D4	Provide one live view of stock across stores, warehouses and in transit	P3, C2	Offence
D5	Enforce consent, privacy and product data quality rules at source	L1, C1	Defence
D6	Govern pricing models with guardrails, audit trail and merchant override	P2, C3	Defence

SO WHAT Keep the defensive pair small but non-negotiable, because a consent breach or an unfair price would undo the growth case.

Data strategy scorecard

Illustrative baselines and targets.

Perspective	Objective	Measure	Type	Baseline to target	Initiative	Owner
Value	Grow share of wallet	Spend per active loyalty member, rolling 12 months	Lag	index 100 to index 108	Personalisation engine	CMO
Value	Protect full-price margin	Markdown as a share of sales	Lag	14% to 10%	Markdown optimisation	Trading director
Value	Release inventory cash	Stock cover in weeks	Lag	18 weeks to 14 weeks	Single stock pool	CFO
Stakeholder	Customers find it in stock	Store and online availability on the top 2,000 lines	Lag	91% to 96%	Single stock pool	COO
Stakeholder	Merchants act on recommendations	Price and markdown recommendations accepted by merchants	Lead	0% to 70%	Markdown optimisation	Trading director

SO WHAT Read every pilot against a control group, so the scorecard shows uplift caused by data rather than by the season.

Data strategy scorecard (continued)

Illustrative baselines and targets.

Perspective	Objective	Measure	Type	Baseline to target	Initiative	Owner
Data operations	Know who is buying	Transactions linked to an identified, consented customer	Lead	58% to 75%	Customer profile build	Head of CRM
Data operations	Product data fit for purpose	Active SKUs with complete attributes and imagery	Lead	64% to 95%	Product information clean-up	Head of merchandising operations
Data operations	Forecasts planners can use	Weighted forecast error at product, store and week	Lead	42% to 30%	Demand forecasting service	Head of supply chain planning
Capability	Faster learning	Controlled experiments completed per quarter	Lead	3 to 20	Test-and-learn programme	CMO
Capability	Analytics close to the decision	Trading and marketing teams with an embedded analytics translator	Lead	1 of 8 to 8 of 8	Analytics translator programme	CDO

Prioritised use cases

Use case	Theme	Value	Feasibility	Decision it improves
Personalised offers and recommendations	T1	5	4	Which products and offers should each customer see this week?
Markdown timing and depth	T2	5	4	When, and how deep, should we mark down each line in each store?
Promotion effectiveness	T2	4	4	Which promotions grow profit rather than just shifting volume?
New-line buy quantities	T4	4	4	How much of each new line should we buy, and for which locations?
Lapsed-customer win-back	T1	3	5	Which lapsing customers are worth a reactivation offer, and which offer?
Store and online stock allocation	T3	5	3	Where should each unit sit, and which location should fulfil each order?
Range and assortment planning	T4	4	3	Which lines should we add, keep or delist in each store cluster?

SO WHAT

Start with markdown and personalisation, because they need only customer, product and price data the retailer already holds.

Build once, use many: data products by use case

Personalised offers and markdown timing scored highest on value and feasibility; stock allocation is high value but waits on the unified stock position.

	Customer 360	Customer consent register	Product attribute master	Demand forecast	Unified stock position	Price and promotion history
Personalised offers and recommendations	●	●	●			
Lapsed-customer win-back	●	●				●
Markdown timing and depth				●	●	●
Promotion effectiveness	●					●
Store and online stock allocation				●	●	
Range and assortment planning	●		●	●		
New-line buy quantities			●	●		
	used by 4	used by 2	used by 3	used by 4	used by 2	used by 3

SO WHAT Start with markdown and personalisation, because they need only customer, product and price data the retailer already holds.

Roadmap

H1 builds the customer profile, product data and a markdown pilot; H2 adds forecasting and the single stock pool; H3 takes range planning and personalisation into stores.

Horizon 1: 0-6 months

- Customer profile build: identity resolution across loyalty, web and app, with consent captured
- Product information clean-up for the top 5,000 active SKUs
- Markdown optimisation pilot in two categories, with merchant override
- Test-and-learn programme: experiment design standard and the first ten tests

Horizon 2: 6-18 months

- Personalisation engine live in email and app, then on web
- Demand forecasting service at product, store and week for all categories
- Single stock pool: unified stock position and ship-from-store in 40 stores
- Analytics translator programme: translators embedded in four trading teams

Horizon 3: 18-36 months

- Range and assortment planning by store cluster, driven by demand evidence
- Personalised offers extended into stores through colleague devices and digital receipts
- Translators in all eight trading and marketing teams, with pricing governance audited yearly

SO WHAT

Do not start range planning until forecast error is near target, because ranges built on weak forecasts lock the error in for a season.

The first 100 days

Weeks 1-2: Mandate and baseline

- Sponsor group of CEO, trading director, CMO and CFO agreed
- Baselines for markdown, stock cover, availability and spend per member
- Consent and privacy position confirmed with the data protection officer

Weeks 3-6: Pick the battles

- Use-case portfolio scored; markdown and personalisation chosen first
- Designs for Customer 360 and price and promotion history
- Owners named for customer, product, stock and price data

Weeks 7-10: First value in market

- Markdown recommendations running in two categories
- First personalised email test against a control group
- Product attribute completeness dashboard live

Weeks 11-14: Prove and scale

- Margin and spend uplift read against controls
- Investment case for the forecasting service and single stock pool
- Data strategy scorecard reviewed monthly at the trading meeting

SO WHAT

Leave day 100 with an approved roadmap, a funded first tranche, live forums and two quick wins in delivery.

Build yours

- Strategy Cascade and Scorecard Workbook: the templates behind this example
- Scorecard Measures Library: measures and definition cards
- Strategy Workshop Kit: the three workshops that produce it

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