Alliance Boots

Case Study

Re-branding 900 Alliance Pharmacy stores over two years would be a tall order for any retailer, but add this to a challenging merger integration with Boots and you have the largest programme of its kind in the UK. Read how our consultant successfully managed inventory during this difficult transformation.

Subject Matter Experts were assembled from Boots, Alliance Pharmacy and UniChem to successfully implement this huge initiative, and external expertise was hired for roles that could not be filled internally. Rune lead the implementation of the stock management workstream.

The stock management challenge of the programme was daunting:

- All suppliers had to be reviewed to align product offering with customer expectations of the new Boots brand
- Physical supply chain routes, delivery frequency and pack sizes had to be changed to realise integration savings
- All processes and responsibilities needed to be reviewed and changed to create an integrated supply chain
- Almost half of store stock needed to be discontinued and replaced with a new assortment while maintaining a good customer experience and limiting clearance costs
- Turnover in re-branding stores needed to remain at ca 90% during last few weeks of the transition
- More than 50 store conversations per week were required at the peak of the programme

Our consultant realised that all areas of the business needed to understand their role in the process to successfully deliver on these objectives. This was achieved by briefing sessions across the organisation including supply chain, B&M teams and existing field organisation across three business units. A detailed weekly countdown calendar was created starting at week -30 (i.e. 7 months before rebranding) for each store to ensure everyone understood and completed their tasks on time. Training material and technical system enhancements were implemented in advance to support this process and additional resources brought in as required.

Total Branch Stock
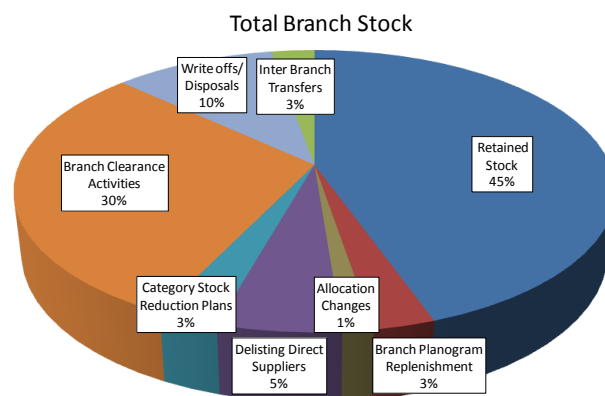
Additional benefits were delivered by completing in-depth analyses of all stock in the supply chain as illustrated in the pie chart above. Deep mark-downs were avoided by categorising inventory in all stores and distribution centres and implementing appropriate head office and store actions early on in the programme, e.g. more than 150 direct suppliers were delisted in the first few months of the programme.

These efforts combined resulted in an impressive £2.6M projected saving on the stock management budget at the time planning and first phase of the implementation were completed and our consultant handed over the rest of the implementation to internal resources.

Qvalla Ltd