



CASE STUDY: Aligning Product Development to Customer Needs



Background

Tandy Brands is a \$150 million dollar apparel accessories company specializing in men's and women's leather and synthetic leather goods such as belts, wallets, small leather goods, and handbags. Tandy Brands also sells gift items such as specialty alarm clocks, cell phone/wallet caddies, and small hand-crank emergency items such as flashlights and radios.

Challenges

- Company was in the midst of a full scale turn around approach and had identified several priority strategic initiatives including product lifecycle management
- Men's, Women's and Gifts divisions operating as independent units with little or no cross-communication
- Excessive inventory was clogging warehouses, contributing to large negative ROI
- 20% of SKUs were generating 92% of sales

Approach

- Defined strategic imperatives around the planning, development, management, and retirement phases of the product lifecycle:
 - Created better understanding of consumer and customer fashion and product needs early in process to drive product design and line planning
 - Improved coordination between design, marketing, merchandising, sales, finance and operations
 - Designed strategy to move reduce private label and increase branded business
 - Developed tactics to support retailers as category captains



Result

Project expected to help drive company financials as follows:

- Increase sales by \$75M
- Increase gross margin by 2% of sales
- Increase ROI to 30%
- Increase average inventory turns from less than 2 to more than 3
- Projected potential annual impact of more than \$13M
- Improved coordination between design, marketing, merchandising and sales
- Increased speed to market