SymphonyAI

Southern Co-op implements SymphonyAI AI-based assortment and space to increase shopper engagement, turbocharge efficiency, and increase on-shelf availability

About Southern Co-op

An independent co-operative based in the south of England, Southern Co-op is owned by its members and has a purpose of working together for the benefit of its communities. With a commitment to sustainable business, in 2022, it was presented with the Queen's Awards for Enterprise and Sustainable Development. Celebrating its 150th anniversary in 2023, Southern Co-op has nearly 400 trading outlets in total across a number of markets. Through its Cobra Coffee subsidiary, it is one of the largest franchisees of Starbucks in the U.K., operating 70 coffee stores.

Strategic Goals

Southern Co-op wanted to enhance its range and space capabilities with more tailored assortments, shelf planning, and floor planning at each store and for each category. Southern Coop sought data-driven alignment with the evolving needs of each store's local shoppers, including member-owners, and reduced wastage through ensuring optimized stock levels in every store. In addition, Southern Co-op wanted to ensure that optimal assortment and space alignment would enable them to grow basket size and reduce costly clearance markdowns resulting from excess inventory.

Southern Co-op is part of a group of coops, which also included Southern and Scotmid, Lincolnshire, Midcounties, and Central, who together were looking at the best way to progress on their retail technology journey, seeking products with leading capabilities to achieve long-term business performance, operational efficiency, and optimal experience for co-op shoppers.

Business challenge

Southern Co-op wanted more modern, AI-driven technology that would provide best practices and best-in-class functionality in their assortment and space planning, stock levels, and shelf layouts for each store to specifically meet that store's shopper preferences. They also sought more automation and streamlining to enable them to provide tailored planograms while maintaining the same team size, leveraging a tool that did not require additional headcount and could be implemented at speed.

Southern Co-op conducted a comprehensive assessment of options in the market. Ultimately the team aligned on SymphonyAI as its vendor of choice, with a shared vision of implementing connected retail that would enable end-to-end visibility, automation, and shopper-aligned space and assortment.

> **"** We evaluated multiple modules, and ultimately we selected all of SymphonyAI's space and range products because SymphonyAI's level of advancement, automation, and ease was best-in-class. We knew we wanted a partner who would help us successfully improve our space and range capabilities not just in the near term, but also in the longer term, addressing forecasting, replenishment, and supply chain to achieve a full end-to-end connected retail vision. We found that partner in SymphonyAI.
>
> **Andrew Farndell,**
> Head of Retail Commercial at Southern Co-op

Southern Co-op's historical system included a limited-functionality standalone floor plan system and a separate planogram design module with only basic-level integration between them. Their existing category planning system directly managed assortments for their ordering system, which necessitated having every item in every store.

They wanted capabilities to intelligently cluster stores based on shopper demand commonalities, with assortment optimization to drive personalized assortments for each cluster, and the ability create store-specific planograms tailored to local shopper needs and meet Minimum Presentation Level standards for each store.

Business challenge (Cont.)

> " Our stores serve a large geographic range, with a very diverse mix of store types and sizes. Our legacy approach utilised very generic models with geo-demographic data via a third-party service. By using SymphonyAI's clustering, we could do sophisticated assortment planning and planogramming in one platform while aligning each store's space and offerings to the needs of their unique customers.
>
> **Andrew Farndell,**
> Head of Retail Commercial at Southern Co-op

Ultimately, Southern Co-op's goal was to better engage each store's shoppers while simultaneously optimizing stock levels to ensure they had neither too much stock on hand (causing waste and clearance markdowns that eroded margins and profits) nor too little (causing stockouts that left shoppers frustrated and impaired the ability to meet sell-through goals).

As a co-op, the team has a particularly compelling obligation to minimize losses and waste resulting from stock misalignments. As Farndell notes, "Like every retailer, we of course have a business obligation to generate cash from operations. But beyond that, as a co-op, we have a mandate to return profits to our member shareholders, a responsibility we feel very keenly."

Solution

Southern Co-op liked SymphonyAI's innovative end-to-end connected retail architecture and the deep AI capabilities in its assortment and space products. The system would achieve their business goals of customer-aligned assortment while also building state-of-the-art best practices into their space planning. With AI-based technology from SymphonyAI, the team could be much more efficient and better meet shopper engagement and business goals.

Ultimately Southern Co-op selected SymphonyAI's intelligent retail Assortment, Shelf Planning, and Floor Planning. SymphonyAI's assortment optimization generates rapid, customer-centric assortments for each store format, using, loyalty, store and shelf space, and supply chain data to ensure the right products are available to customers at the right time and place. The SymphonyAI products would make it quicker and easier for Southern Co-op's teams to identify and translate shopper preferences into macro- and micro-space improvements at the store level.

Solution (Cont.)

Additionally, SymphonyAI stood out for its proven, deep grocery expertise, cloud-native SaaS architecture, and true partnership mindset. These qualities are helping support rapid implementations and up-skilling Southern Co-op's space and merchandising teams to successfully adopt the AI-based technology quickly and move to a more automated, more store-specific and more refined capabilities than their legacy system, ensuring they have the right items in the right quantities in each store, reducing waste and increasing unit sales. The combination of the software, the team and the collaborative approach to implementing the best solution for Southern was another key factor in Southern's selection decision.

Program approach

As the project moved into planning and implementation, Farndell and his team valued the long-term partnership mentality from SymphonyAI. The joint project team conducted pre-implementation workshops and design sessions to game out what would happen in various situations, ensuring a thorough but flexible project framework to support different contingencies.

Farndell emphasizes the continuity of the SymphonyAI team members. "We had the same key players from SymphonyAI engaged throughout the process, from presales through implementation planning, to ongoing operations today. This was a refreshing contrast to the abrupt handoff at each phase that we experience with most other vendors.

"For example, the SymphonyAI project manager from implementation now serves as the customer success coach to Southern Co-op, and the person who answered our technical questions during the vendor evaluation phase is still our go-to resource to help continually get the most value from how we use SymphonyAI products. That approach is the perfect example of how we like to strategically partner for the long term."

Program approach (Cont.)

Southern Co-op and SymphonyAI set out to create a thoughtful, progressive implementation that would not only meet Southern Co-op's goals but also create a successful connected retail adoption model for other independent member-owned co-operatives in the UK. In addition to the project team planning and implementing the deployment, SymphonyAI assigned dedicated success coach resources to provide ongoing counsel on successful adoption, best practices and up-to-date knowledge of the products and the industry.

> " I have been particularly impressed by the caliber and commitment of the whole SymphonyAI team. This project is already running as a genuine partnership with our vendor partners using their experience to help accelerate us at real pace to build our new range and space capability.
>
> **Mark Smith,**
> CEO, Southern Co-op

Results/value

Within weeks of going live, Southern Co-op gained significant efficiencies in assortment and space planning and in new item cut-ins. Southern Co-op has come a long way from its former reliance on Excel calculations that were then imported into planograms. As they've rolled out space planning and assortment, they can productively and efficiently provide tailored range and space for each location to cater to local shopper preferences. In close collaboration with their SymphonyAI success coach, Southern Co-op is adopting more sophisticated, advanced capabilities, including assortment optimization and automation. SymphonyAI's deep expertise and ongoing commitment to customer success forms the basis for a highly collaborative and productive relationship. With all the information in a single platform, the team can easily run recalculations to rebalance assortments as needed.

Results/value (Cont.)

Farndell is also pleased at the improved user experience for the Southern Co-op team. "Most of our work is now within the SymphonyAI platform, and team members no longer need to constantly shift back and forth between our BI and other systems. The unified SymphonyAI system vastly simplifies all our work. We have a very complex business, and we now have the ability to get rapid insights into the more granular elements of the business."

The earlier platform had been in place for 15 years, so the joint project team collaborated to ease users' transition to the new system. Initial users were phased over one by one with coaching and support, with early adopters becoming peer advocates and resources for those adopting later.

Team productivity has improved significantly, Farndell reports. "Today, with SymphonyAI, the team has more insight into the decision process, giving us information that is much simpler, and therefore our ability to take the right action quickly is much easier. As a result, productivity is much higher. As we continue on the journey, we see paths to continually unlock even more value at every step. The benefits are compelling: using SymphonyAI is accelerating our ability to impact the bottom line and achieve business goals."

New item introductions are traditionally a challenge for retailers, typically requiring adding a new product into the category for each individual planogram. SymphonyAI's optimization enables Southern Co-op to add the new item in the master planogram, from which it automatically cascades into individual planograms for that category in a matter of clicks. This provides enormous efficiency and business agility in keeping store assortments up-to-date with shoppers' current preferences, including the substitutions of new packaged items and adding new local lines.

> "
> The advanced end-to-end range and space platform is a game-changer for us, making it possible to increase our member and customer satisfaction by better aligning and tailoring our product assortments at the SKU level by store with ease by utilizing the AI-driven clustering and product assortment functionality. This also improves the efficiency in the central functions with the ability to seamlessly move between modules and workflows when working on ranging or space projects whilst supporting increased on-shelf availability with specific shelf profile and shelf capacity ranging on a store-by-store, fixture-by-fixture basis.
>
> **Andrew Farndell,**
> Head of Retail Commercial at Southern Co-op

Results/value (Cont.)

The spirit of teamwork and collaboration is equally important. "We at Southern Co-op really value the deep partnership approach we've experienced, from selection through the whole lifecycle. The entire discussion with SymphonyAI started with our organization's goals and aspirations, and we've continued to align all conversations and actions around that viewpoint. It's been a personal and focused touch at every step, with great team continuity. The reality as the relationship has progressed has met the high expectations set from the very beginning of the evaluation and selections process."

Farndell values the opportunity for customer voices to be heard in SymphonyAI's product planning processes through involvement in the customer council and sharing the Southern Co-op journey with presentations at user conferences.

Today, Southern Co-op sees the new framework translating into reduced wastage and increased footfall, ultimately providing a positive impact to profit-sharing with member/owners. The combination of SymphonyAI's advanced technology and best practices defined by the Southern Co-op/SymphonyAI team serves as a success template that can be emulated by other UK co-operatives seeking the benefits of AI-based assortment and space planning.

Customer next steps

Southern Co-op, assisted by SymphonyAI dedicated success coaching, continues to grow more sophisticated in their ability to use end-to-end capabilities provided by the AI-based assortment, shelf and floor planning systems.

Southern Co-op is moving toward utilizing SymphonyAI planogram automation across categories to manage their periodic major range reviews, with more granular insights into shopper preferences at each store level. They are also working to ensure the quantity of stock on shelves is more precisely aligned with demand so stores do not experience out-of-stocks, and also avoid overstocks that drive wastage or reduce-to-clear.

Looking ahead, Southern Co-op is assessing additional integrated products from SymphonyAI, including Store Intelligence, Master Data Management and Demand Forecasting AI, all linked to an end-to-end suite of solutions, data standardization and ability to make faster, more accurate data-led decisions in a Connected Retail framework.