MERIDIAN ADVISORY PARTNERS

Retail Operations Transformation Proposal

Prepared exclusively for Vertex Retail Group

PREPARED FOR

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PREPARED BY

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DATE

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PROPOSAL VALID THROUGH

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1 Understanding of Your Need

Vertex Retail Group operates 142 stores across nine states alongside a growing e-commerce channel that now represents 31% of net revenue. Over the past three fiscal years, same-store fulfillment costs have risen 22% while on-shelf availability has fallen from 94% to 87%. Leadership has traced the symptoms to uncoordinated demand planning between the store network and the distribution center in Council Bluffs, but has not yet isolated a root cause it can act on.

In our discovery calls with the COO, VP of Supply Chain, and Director of Store Operations, three themes recurred consistently:

- **Forecast fragmentation.** Store-level demand signals and distribution-center replenishment run on separate weekly cycles that were never reconciled after the 2023 warehouse-management-system migration, producing a structural lag of 9–12 days between a demand shift and a corresponding inventory response.
- **Manual exception handling.** Approximately 38% of purchase orders require manual override by planning staff, consuming an estimated 6,200 labour-hours per quarter that could otherwise support category strategy work.
- **Limited visibility at the executive level.** No single dashboard currently reconciles in-stock rate, transportation cost, and labour utilization, so trade-offs between these levers are debated anecdotally rather than quantitatively.

1.1 Objectives

Based on this diagnosis, Vertex Retail Group has articulated three objectives that will anchor this engagement and its success criteria:

1. Restore on-shelf availability to 93% or better within two fulfillment cycles of go-live, without a corresponding increase in safety-stock carrying cost.
2. Reduce manual purchase-order exception volume by at least 50%, freeing planning capacity for category-level strategy work.
3. Deliver a unified operations dashboard that lets the executive team evaluate in-stock rate, transportation spend, and labour utilization as a single connected system rather than three disconnected reports.

1.2 Why Meridian

Meridian Advisory Partners has completed fourteen retail supply-chain engagements of comparable scope over the past six years, including two distribution-center replenishment redesigns for grocery chains operating on the same warehouse-management platform Vertex uses today. Our methodology draws on established supply-chain and inventory-optimization research [1, 3] rather than a proprietary black-box model, so the reasoning behind every recommendation can be explained to and defended by your own team. We do not propose to replace Vertex's planning team; we propose to close the specific reconciliation gap identified above, transfer the underlying methodology to your staff, and leave a dashboard your team can maintain without ongoing dependence on us.

2 Our Approach

We propose a four-phase engagement running 16 weeks from kickoff to handover. Each phase closes with a formal checkpoint so that Vertex retains control over scope and can redirect effort before the next phase begins. The phased, checkpoint-driven structure follows standard change-management practice for operational redesigns [2], which finds that transformations lose momentum when staff are asked to commit to the full scope before seeing evidence from an early, contained phase.

Phase 1 — Diagnose — Weeks 1–3

We instrument the current state before proposing anything. This phase combines interviews, transaction-log analysis, and a full trace of the purchase-order exception workflow.

- Extract twelve months of point-of-sale and replenishment data from the warehouse-management system for the Council Bluffs distribution center and a representative sample of 24 stores across urban, suburban, and rural formats.
- Shadow planning staff through two full weekly cycles to catalogue every manual exception and its root cause.
- Deliver a diagnostic memo quantifying the forecast-lag gap by category and store cluster, validated jointly with your VP of Supply Chain.

Phase 2 — Design — Weeks 4–7

Using the Phase 1 findings, we design a reconciled forecasting cadence and the dashboard architecture that will surface it.

- Redesign the store-to-distribution-center forecast cycle to a shared 72-hour cadence, replacing the current two independent weekly cycles.
- Define exception-handling rules that auto-resolve the categories of purchase orders responsible for 70% of current manual volume.
- Produce a dashboard specification covering in-stock rate, transportation cost, and labour utilization, reviewed with your analytics team for build feasibility on existing tooling.

Phase 3 — Pilot — Weeks 8–12

We test the redesigned cadence and dashboard against live operations in a contained scope before asking Vertex to commit company-wide.

- Run the new forecast cadence for the 24-store sample cluster alongside the legacy process, in parallel, for four full weeks.
- Stand up the dashboard on Vertex's existing business-intelligence platform and validate it against Phase 1 baseline figures.
- Deliver a pilot results report with a go/no-go recommendation and any required design adjustments before wider rollout.

Phase 4 — Scale & Handover

Weeks 13–16

The final phase extends the validated process network-wide and transfers ownership to your team.

- Roll the reconciled cadence and exception rules out to the remaining 118 stores in two waves, each followed by a one-week stabilization window.
- Train the planning team and dashboard administrators through structured working sessions, with recorded materials for future onboarding.
- Deliver a handover package: process documentation, dashboard administration guide, and a 90-day post-engagement support window for questions that arise after we step back.

3 Engagement Team

Vertex Retail Group will work with a four-person core team backed by Meridian's retail practice. Daniel Okoro is accountable for the engagement end to end and will be your primary point of contact throughout.

DO

Daniel Okoro

Engagement Partner

Fourteen years advising retail and consumer-goods operators on supply-chain and store-operations transformation. Led the replenishment redesign for a 312-store grocery chain that reduced stockouts by 34% in five months. MBA, Wharton School.

SM

Sofia Marchetti

Project Lead

Manages day-to-day delivery, workstream sequencing, and the weekly steering update. Background in industrial engineering with six years in distribution-center design, including two prior warehouse-management-system migrations on the platform Vertex uses today.

KA

Kwame Asante

Data & Analytics Lead

Owns the diagnostic data extraction, forecast-model redesign, and dashboard build. Formerly a supply-chain analytics manager at a national apparel retailer, where he built the in-stock forecasting model still in production use today.

RL

Rachel Lindqvist

Change & Training Lead

Designs and runs the Phase 4 training program and stabilization support. Specializes in operational change management for frontline and planning teams, with a track record of sustaining adoption past the point most redesigns quietly revert to the old process.

Daniel Okoro is available for weekly steering calls and ad hoc escalation throughout the engagement at the phone and email provided in the signed engagement letter.

4 Fee Summary

Professional fees are quoted as a fixed price per phase, not time-and-materials, so that Vertex's budget exposure is known in full before the engagement begins. Fees below assume the scope described in Section 2 and the 24-store pilot sample; a material scope change would be documented through a written change order before any additional billing.

Phase	Duration	Professional Fee
Phase 1 — Diagnose	3 weeks	$48,000
Phase 2 — Design	4 weeks	$62,000
Phase 3 — Pilot	5 weeks	$74,000
Phase 4 — Scale & Handover	4 weeks	$58,000
Subtotal, professional fees	**16 weeks**	**$242,000**
Estimated travel & expenses (capped, billed at cost)	—	$14,500
Total engagement fee		**$256,500**

4.1 Payment Schedule

Invoices are issued at the start of each phase against the milestones defined in Section 3, payable net 15 days.

Milestone	Timing	Amount
Engagement kickoff	Week 1	$64,125
Design checkpoint approved	Week 4	$64,125
Pilot go/no-go decision	Week 8	$64,125
Final handover accepted	Week 16	$64,125
Total		**$256,500**

Rates above hold for engagement start within the validity window stated on the cover page. Expenses are billed at cost against original receipts and will not exceed the $14,500 cap without prior written approval from the Vertex engagement sponsor.

Appendix A — Terms and Conditions

A.1 Scope of Engagement

This proposal describes the scope, phasing, and fees for the engagement outlined in Sections 1–4. Work outside that scope requires a written change order signed by both parties before Meridian Advisory Partners begins the additional work or bills for it.

A.2 Confidentiality

Each party will hold the other's confidential information in confidence and use it solely to perform or evaluate this engagement. This obligation survives termination of the engagement for a period of three years, and does not apply to information that is independently developed, lawfully received from a third party, or already public through no fault of the receiving party.

A.3 Intellectual Property

Work product created specifically for Vertex Retail Group under this engagement — including the dashboard specification, forecast-cadence design, and training materials — transfers to Vertex upon final payment. Meridian retains ownership of its pre-existing methodologies, frameworks, and generalized analytical tools used to deliver that work product, and may reuse them on future engagements provided no Vertex confidential information is disclosed.

A.4 Fees and Payment

Fees are as stated in Section 4 and are payable net 15 days from invoice date. Amounts unpaid after 30 days accrue interest at 1.0% per month. Meridian may suspend work on written notice if an invoice remains unpaid more than 45 days after its due date.

A.5 Limitation of Liability

Meridian's aggregate liability arising from this engagement is limited to the total professional fees paid under Section 4. Neither party is liable to the other for indirect, incidental, or consequential damages, including lost profits, even if advised of the possibility of such damages.

A.6 Termination

Either party may terminate this engagement for convenience on 15 days' written notice. Vertex will pay for all work performed and expenses incurred through the effective date of termination, prorated for any partially completed phase.

A.7 Validity

This proposal, including the fees quoted in Section 4, is valid through the date stated on the cover page. Meridian will honor the quoted fees for engagement start dates within that window; a later start date may require re-quoting to reflect current team availability.

A.8 Acceptance

By signing below, the parties agree to proceed under the terms described in this proposal.

For Vertex Retail Group	**For Meridian Advisory Partners**
______________________________	______________________________
Priya Deshmukh, Chief Operating Officer	Daniel Okoro, Engagement Partner
______________________________	______________________________
Date	Date

References

[1] Sunil Chopra and Peter Meindl. *Supply Chain Management: Strategy, Planning, and Operation*. Pearson, Boston, 7 edition, 2019.

[2] John P. Kotter. *Leading Change*. Harvard Business Review Press, Boston, 2012.

[3] Edward A. Silver, David F. Pyke, and Rein Peterson. *Inventory Management and Production Planning and Scheduling*. John Wiley & Sons, New York, 3 edition, 1998.