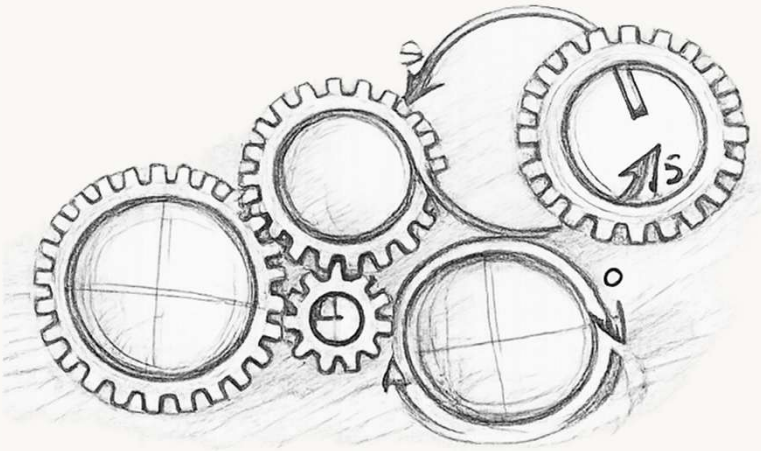
Ελληνική Εταιρεία Συστημικών Μελετών

CSAP Mastering in Systemic Management
Επαγγελματική Πιστοποίηση Μεταπτυχιακού Επιπέδου
ISO 9001 Certified

European Union For Systemics



Systemic Multimethodology for a High-Leverage Approach to Procurement and Category Management

Travel Retail Industry

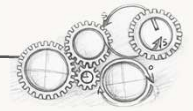
ELENI E. GEORGIADI, CSAP25

Question:



Why do many organizations fail to fully leverage their potential?

The study explores this question through a systemic multimethodology, focusing on selected leverage points.



Roadmap

1.  Organisational Overview of the Industry
2.  Multimethodology DYSODEDD
3.  Operator Mapping
4.  Analysis of the Leverage Points
5.  Transformation Proposals
6.  Conclusions



Organisational Environment

Travel Retail Operator

- Airport Authority
- Aviation Security
- Customs
- Vendors
- Passengers



The Travel Retail Stores, Intra Schengen Area, Athens International Airport. Source: https://www.avoltaworld.com/en/news/2017-06-01/dufry-opens-its-newly-refurbished-hellenic-duty-free-shops-stores-athens

Roadmap

1. Organizational Overview of the Industry
2. Multimethodology DYSODEDD
3. Operator Mapping
4. Analysis of the Leverage Points
5. Transformation Proposals
6. Conclusions

Distinctive Characteristics of Travel Retail

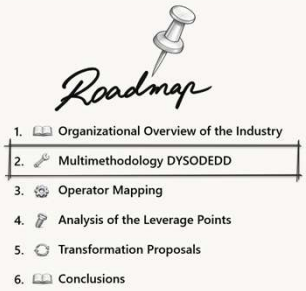
- ✓ **High Passenger Flow**
- ✓ **Walk-through store concept**
- ✓ **Passenger profiling**
- ✓ **Limited Retail Space**
- ✓ **Concession System**
- ✓ **Airport Security Requirements – LAGs & STEBs (Liquids, Aerosols and Gels & Security Tamper-Evident Bags)**
- ✓ **Industry Vulnerability to External Factors (Natural or Geopolitical)**

A highly demanding operational and regulatory environment in which identifying leverage points becomes particularly important.

The Need to Develop the DYSODEDD Systemic Multimethodology

Why is it necessary?

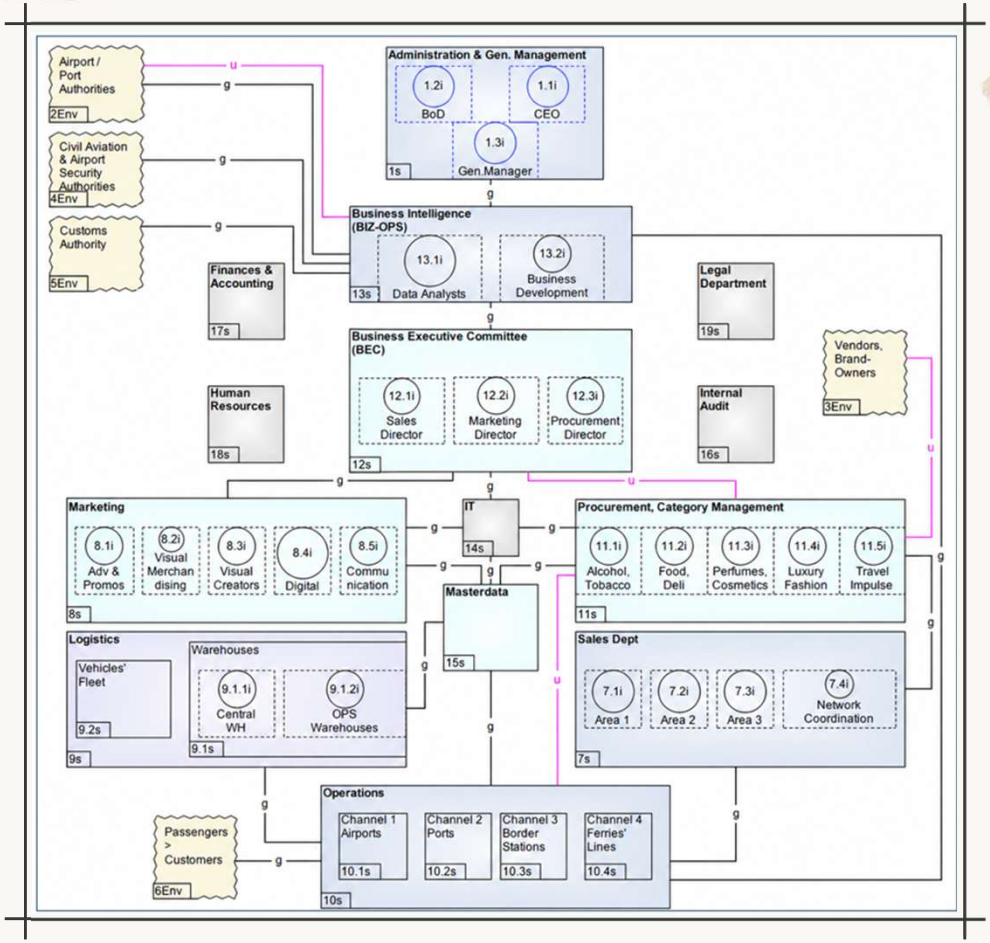
- Need to Map the Organization and Communication Relationships – DCSYM
- Understanding through SSM [CATWOE, Rich Picture]
- Establishing a Framework and Policies for Team Management through the Delphi Method
- Rationalisation and Prioritisation of Operational Barriers through SDD



DYSODEDD Multimethodology

Where does the dysfunction occur?	*How is it experienced and interpreted?*	*What needs to be established?*	*What are the obstacles, and what should take priority?*
DCSYM	SSM	Delphi Method	SDD
Map	**Understand**	**Establish a Framework**	**Rationalize / Prioritize**
Critical and Problematic Communication Lines	Insufficient Understanding of Different Perspectives – Silos	Lack of Communication Rules & Interfaces	Conflicting Needs and Priorities

Operator Mapping using DCSYM and CATWOE

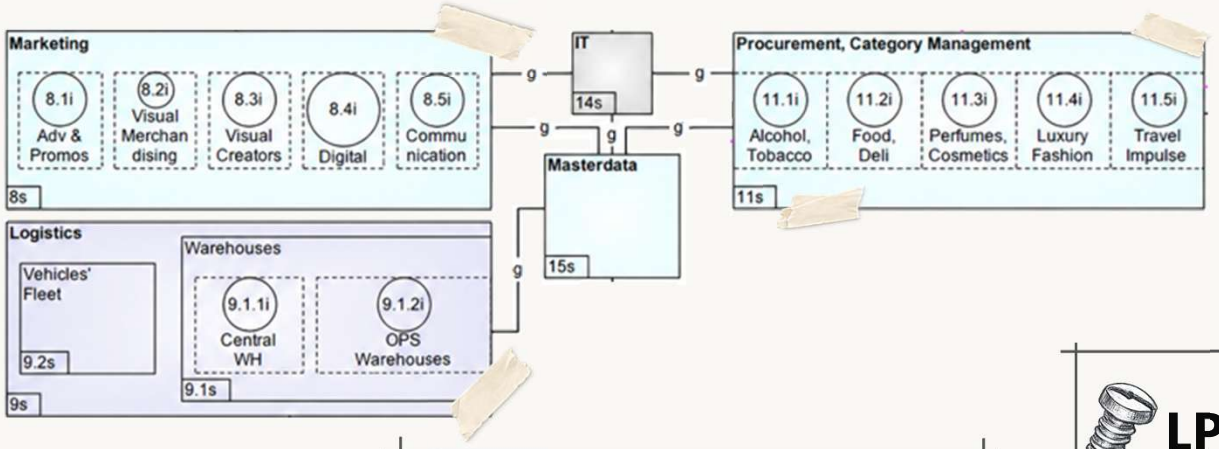


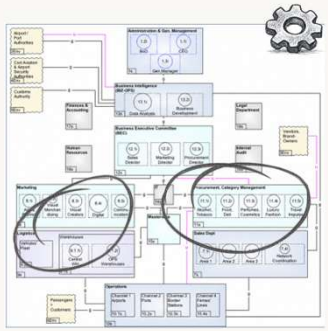
	Concept	Application in Travel Retail
C	Customers	Passengers – Consumers. Secondarily, the Operator is the "customer" and therefore the recipient of Procurement and its processes.
A	Actors	Buyers / Category Managers, Operations, Sales Dept, Masterdata, Vendors.
T	Transformation	From suboptimal procurement with silos and insufficient information, to systemic category performance through integrated management of information flow, space, and inventory. A key premise: The buyer must have direct and formally established access to the point of sale. This is supported by empirical evidence from the author's own professional experience, where its implementation resulted in a 13.6% increase in sales.
W	Worldview	Procurement is not merely about purchasing products, it is also about managing a system. Its effectiveness lies in the ability to identify and activate leverage points across the full range of value-creating processes.
O	Owners	The Operator's management (General Manager, BEC), who have the authority to define the communication structure and approve changes to the system's structure.
E	Environment	Airport Concession Agreements, Duty Free Regulations, Seasonality, Sustainability Requirements, Aviation Security Regulations.

Roadmap

1. Organizational Overview of the Industry
2. Multimethodology DYSODEDD
3. Operator Mapping
4. Analysis of the Leverage Points
5. Transformation Proposals
6. Conclusions

DYSODEDD Mapping and Application





LP1 Replenishment Policy

- General Communication
- Direct Buyer–Operations Contact
- Communication Protocol
- Key Obstacle

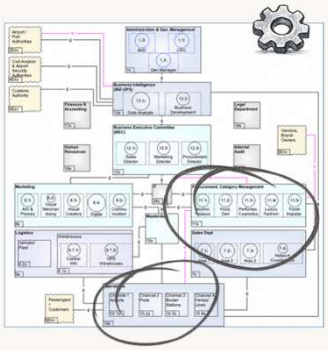
LP2 Open-To-Buy Governance

- General Communication
- Four Different Perspectives
- Defined 15-Day Window
- Synchronisation with Assortment Optimization

LP5 In-Store Communication

- General Communication
- 2 Different Display Approaches (Mktg/Procurement)
- Product Positioning rules
- Execution Ownership

DYSODEDD Mapping and Application

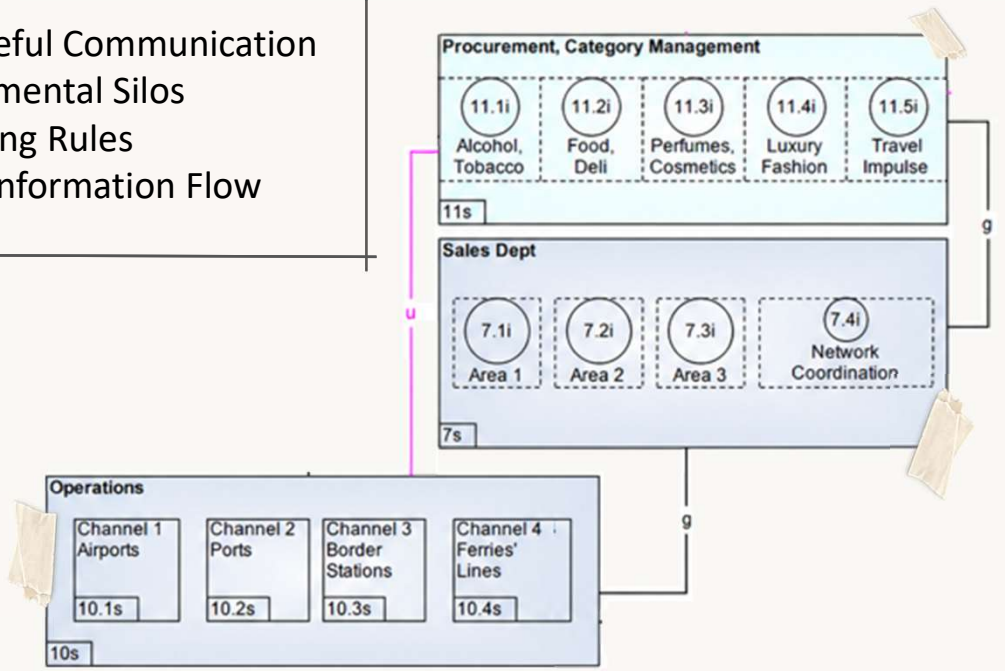


LP3 Demand Visibility & Feedback Loop

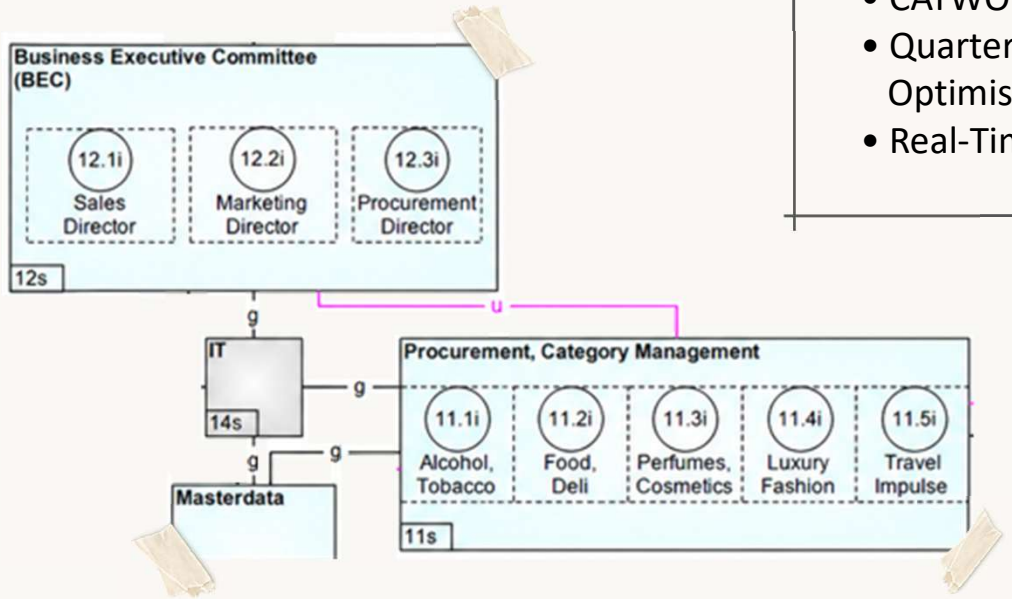
- Purposeful Communication
- Departmental Silos
- Reporting Rules
- Direct Information Flow

LP6 Operations/ Procurement Interface

- Daily Coordination (Same Communication Line as LP3)
- Conflicting Perspectives
- Daily Reporting Protocol
- Standardised Process

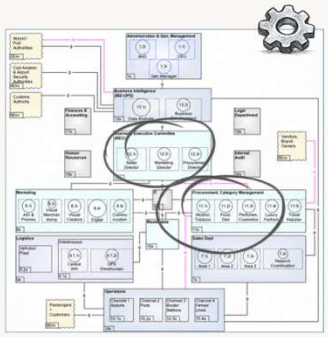


DYSODEDD Mapping and Application

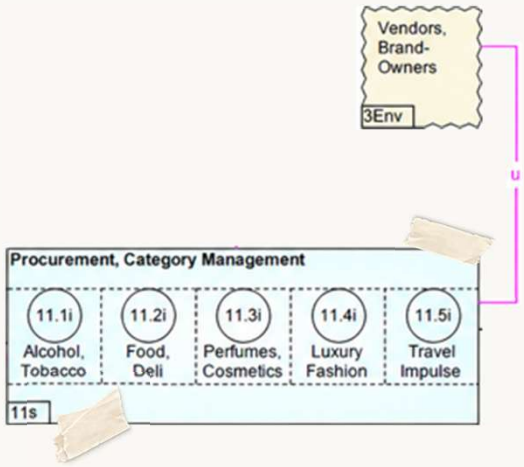


LP4 Assortment Optimisation

- Purposeful Coordination with BEC
- CATWOE for the 80/20 Rule
- Quarterly Assortment Optimisation Cycle
- Real-Time Data

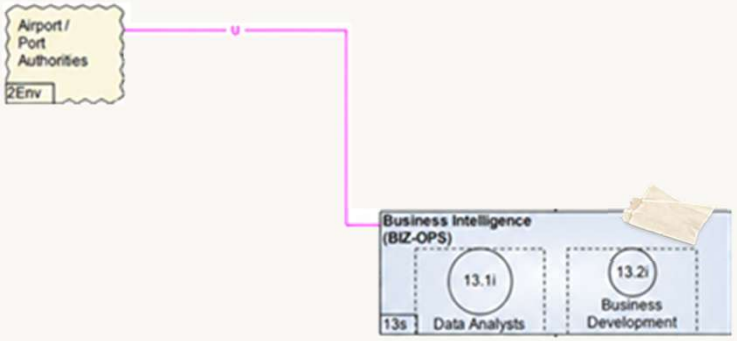


DYSODEDD Mapping and Application



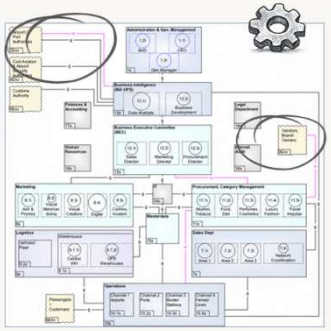
LP7 Brand Channel Allocation Policy

- Purposeful Coordination at the System Boundaries
  - Rich Picture (Vendor)
  - Unified Position Before Negotiation
  - Ensuring Transparency



LP8 Concession Agreement Structure

- Purposeful Coordination at the System Boundaries (Airport)
- CATWOE, Environment
- Win-Win Negotiation (Preparation, Alignment)
- Data-backed Arguments





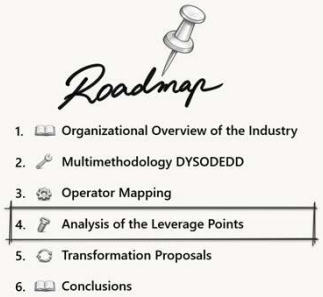
Leverage Points Analysis

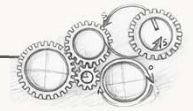
From Mapping to System Dynamics

Understanding how variables interact and generate system behavior.

Causal Loop Diagrams (CLD) To identify causal relationships and feedback loops.

Stock & Flow Diagram (SFD) To map System Behavior over time.

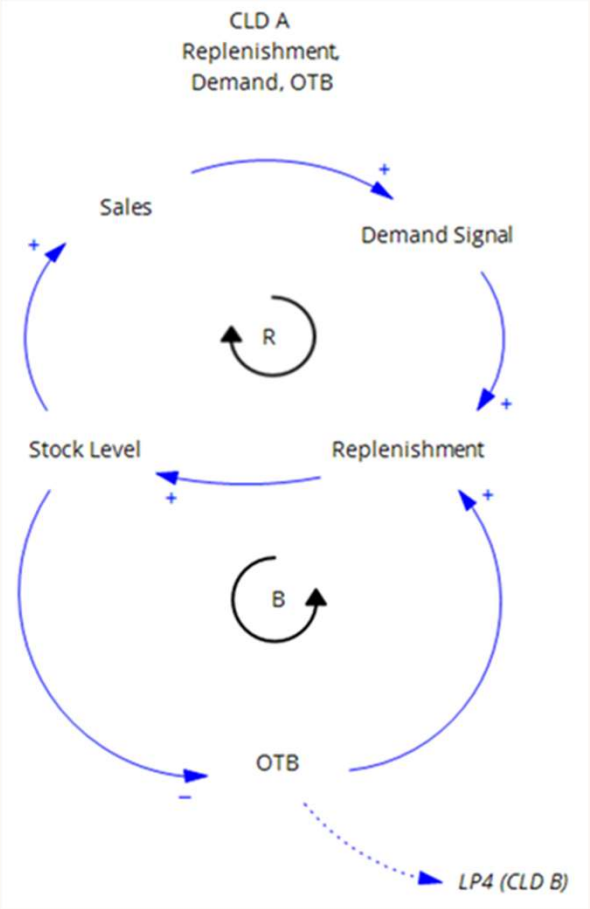




Leverage Points Analysis

CLD A.
Product availability and Stock performance

A System with Multiple Interconnected Leverage Points



LP1, Replenishment Policy.
Internal Process

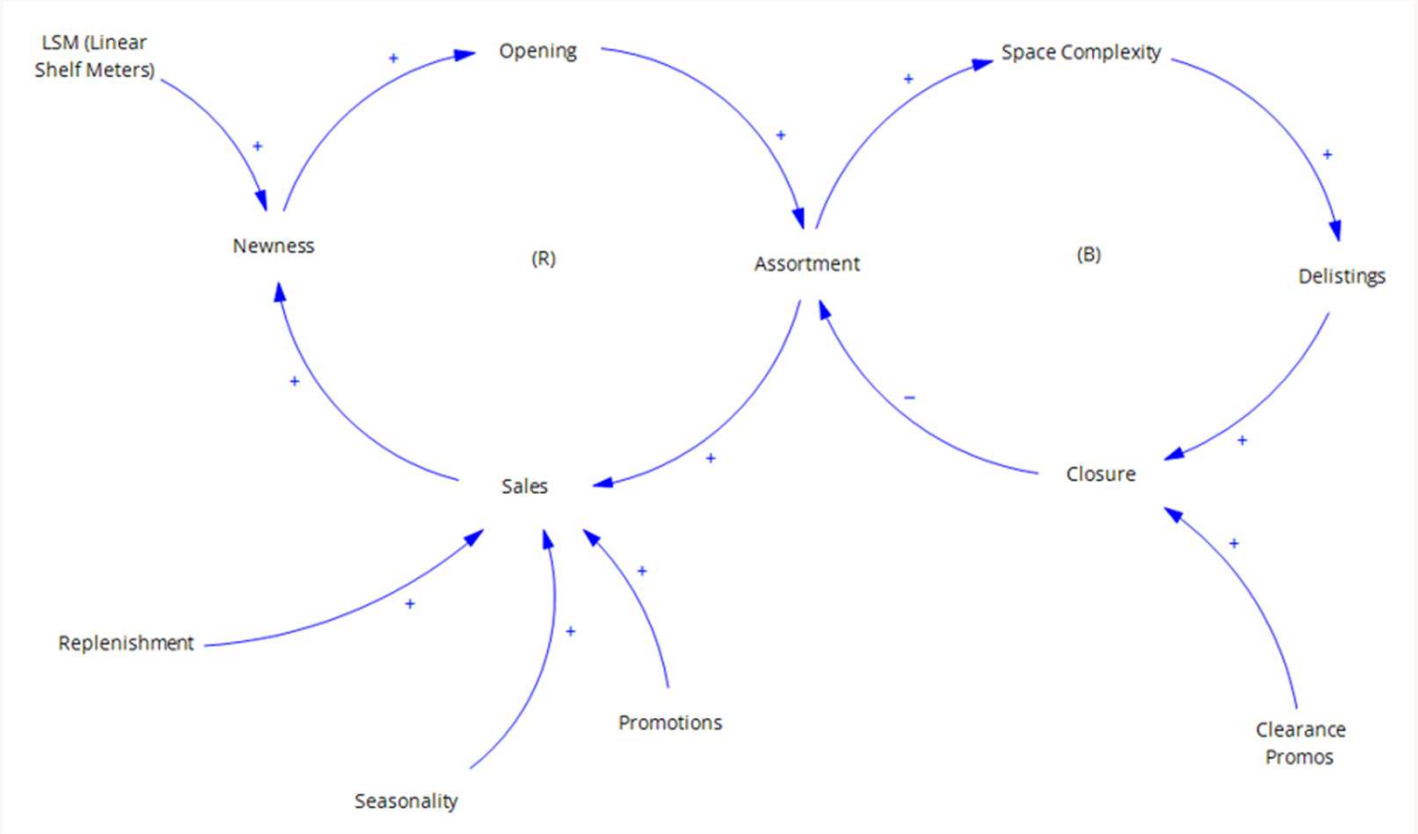
LP2, Open-To-Buy Governance.
Internal Process
OTB Timeframe and Quantitative Limits

LP3 + LP6, Demand Visibility & Feedback Interface
Purposeful communication (u)
Procurement ↔ Operations

Leverage Points Analysis

CLD B.
Assortment Optimisation

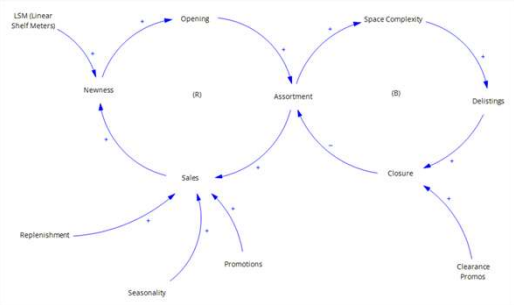
Category performance and Customer's behaviour



Leverage Points Analysis

CLD B.
Assortment Optimization

Category performance and Customer's behaviour



LP4, Assortment Optimization.
Purposeful communication (u)
BEC ↔ Procurement & Category Management
80/20 Contribution Decision Rule

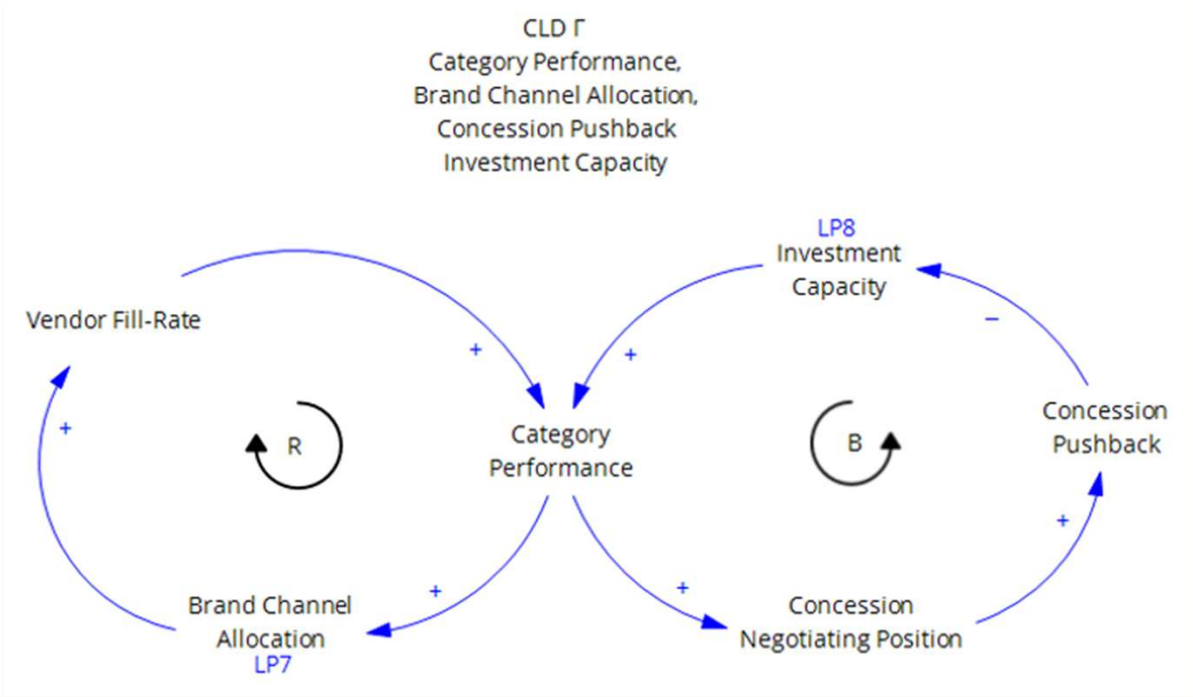
LP5, **In-Store Communication Design.**
Internal process.
Floor Minder and Shelf Runner

LP4 + LP5:
Efficient Utilization of Retail Space without increasing the Linear Shelf Meters (LSM)

Leverage Points Analysis

CLD Γ.
Leverage Points and Interaction with Authorities at the System Boundaries

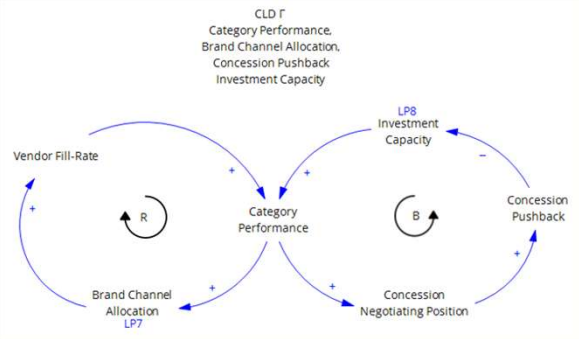
System's Environment:
- **Concession Authority**
- **Vendors**



Leverage Points Analysis

CLD Γ.
Leverage Points and Interaction with Authorities at the System Boundaries

System's Environment:
- **Concession Authority**
- **Vendors**



LP7, Vendor/Brand Channels Allocation Policy
Purposeful communication (u)
Vendor / Brand Owner ↔ Procurement & Category Management
External Boundary: The Operator does not control the allocation.

LP8, **Concession Agreement Structure**
Purposeful communication (u)
Airport / Port Authority ↔ BIZ-OPS
External Boundary: Defines the Operator's Operating Framework

LP7 + LP8:
At the system boundaries: the Operator no longer makes decisions independently.

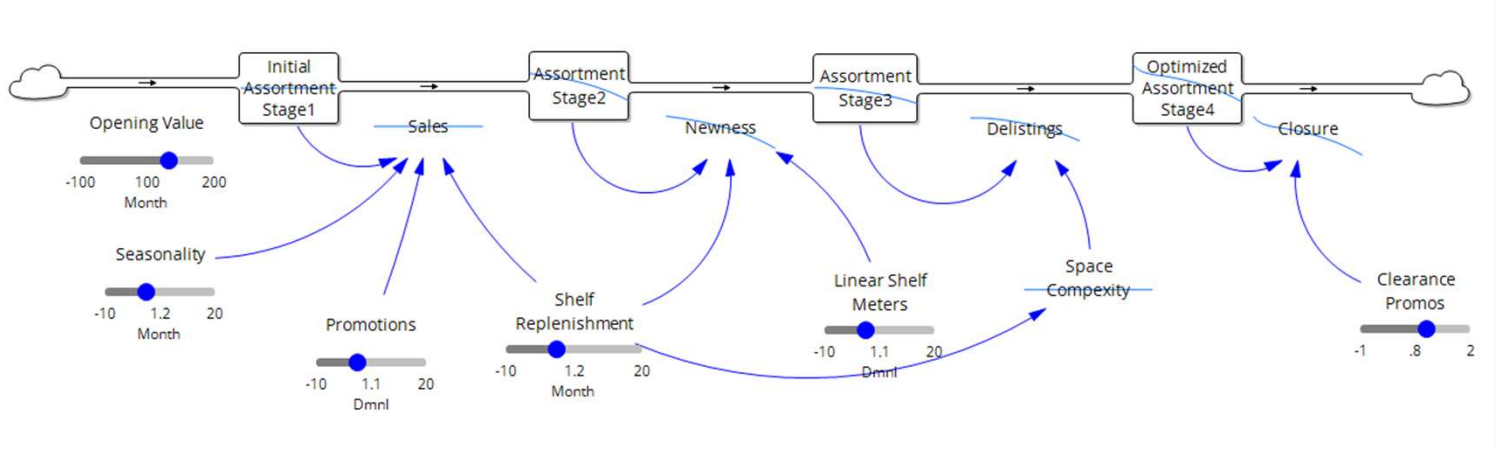
Leverage Points Analysis

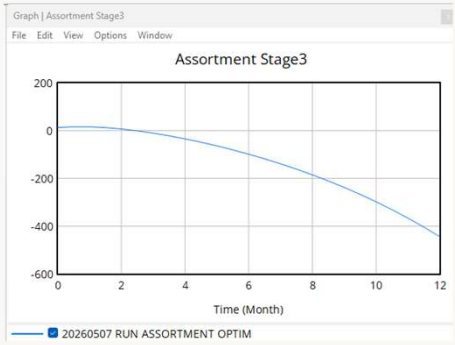
S&F Diagram

Dynamic Simulation of Assortment Optimisation

Dynamic Simulation Scenarios:

Stable	Shelf Replenishment	LSM	Behaviour
A (stable)	1,2	1,1	Smooth Decline
B (unstable)	9,4737	1,1	Oscillation / Pressure
Γ (oscillation damping)	9,4737	3,0435	Exponential Growth, No Oscillations





S&F Scenario A, Shelf Replenishment: 1,2

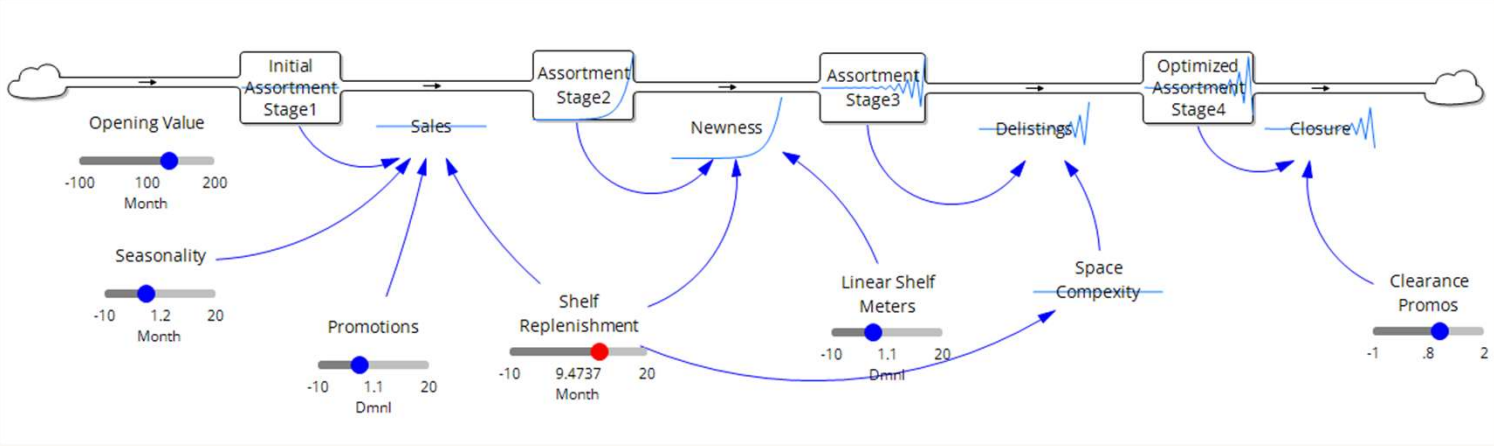
Stable, Controlled behaviour

Leverage Points Analysis

S&F Diagram

Dynamic Simulation Scenarios:

Stable	Shelf Replenishment	LSM	Behaviour
A (stable)	1,2	1,1	Smooth Decline
B (unstable)	9,4737	1,1	Oscillation / Pressure
Γ (oscillation damping)	9,4737	3,0435	Exponential Growth, No Oscillations





S&F Scenario B, Shelf Replenishment: 9,4737

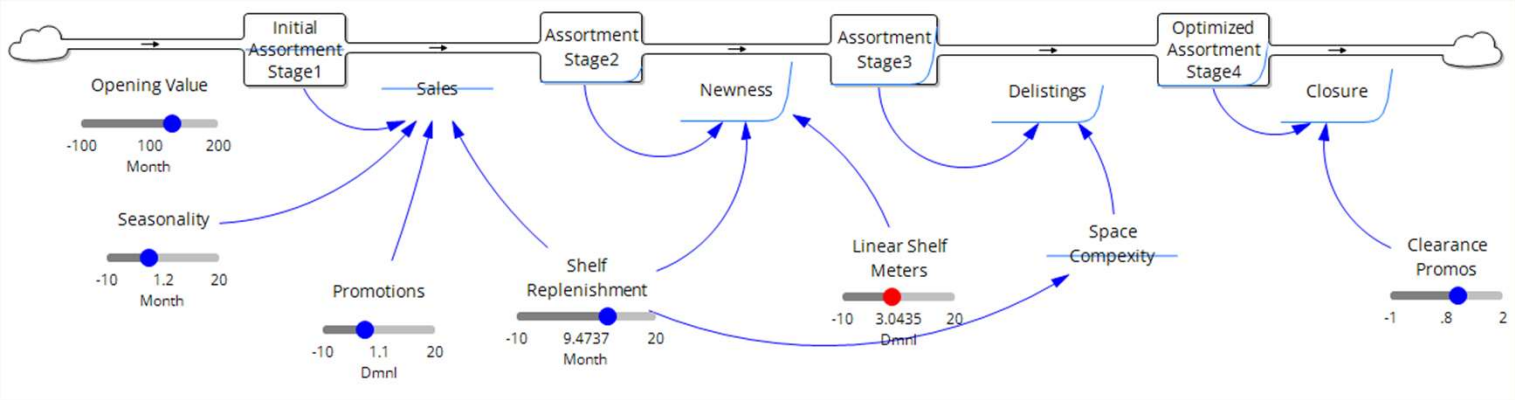
Unstable Behavior, Oscillations

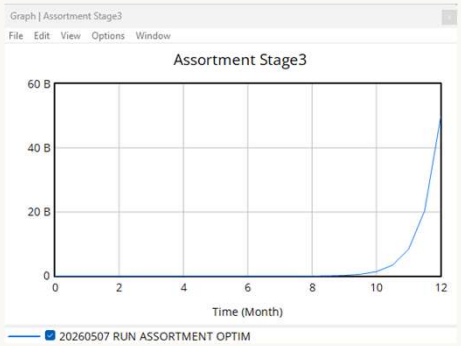
Leverage Points Analysis

S&F Diagram

Dynamic Simulation Scenarios:

Stable	Shelf Replenishment	LSM	Behaviour
A (stable)	1,2	1,1	Smooth Decline
B (unstable)	9,4737	1,1	Oscillation / Pressure
Γ (oscillation damping)	9,4737	3,0435	Exponential Growth, No Oscillations





S&F Scenario Γ, Shelf Replenishment: 9,4737, LSM: 3,0435

Exponential Growth, No Oscillations

***Note**: Increasing LSM is not an intervention available to the Operator, as it depends on the Concession Agreement with the Airport or Port Authority.*

Transformation Proposals

Leverage Points Prioritisation Map

Action Plan	Timeframe	Type of Intervention	LPs
Immediate Intervention	0 - 3 months	Intensity Limits, Formalized Communication, Protocol	LP1, LP3, LP6,
Medium term	3 - 9 months	Establishment of the 80/20 Rule, Communication	LP2, LP4, LP5
Long-Term, Relational	9+ months, ongoing	Negotiation, Building a Relationship of Trust	LP7, LP8

Leverage Point	Control	Evidence of impact	Priority
LP1 Replenishment Policy	Internal	Upper Limit of Replenishment Intensity, Tipping Point, SR ≈ 4,3	Immediate Intervention
LP3 Demand Visibility	Internal	Empirical (+13.6% in Sales)	Immediate Intervention
LP6 Procurement-Operations Interface	Internal	Qualitative (SDD, Same Session as LP1/LP3)	Immediate Intervention
LP4 Assortment Optimization (80/20)	Internal	Quantitative (S&F) + Decision Rule	Medium term
LP2 OTB Governance	Internal	Qualitative (Delphi Method)	Medium term
LP5 In-Store Communication	Internal	Qualitative (SDD, Delphi Method)	Medium term
LP7 Brand Channel Allocation	System Boundary	Qualitative (SSM Rich Picture)	Long-Term, Relational
LP8 Concession Agreement Structure	System Boundary	Qualitative (CATWOE, S&F Scenario Γ)	Long-Term, Relational

Roadmap

1. Organizational Overview of the Industry
2. Multimethodology DYSODEDD
3. Operator Mapping
4. Analysis of the Leverage Points
5. Transformation Proposals
6. Conclusions

Conclusions

DYSODEDD Multimethodology

➔ Dysfunctions' Mapping

➔ Identification of 8 Leverage Points

➔ Understand, Establish Framework, Prioritise

➔ Targeted Interventions

Archetype

Limits to Growth applied on 3 levels

✓ Inventory
✓ Product Assortment
✓ External Authorities

From control to interaction

- **LP1–LP6**: immediate intervention & governance
- **LP7–LP8**: negotiation & relationship management

Effective leverage does not require reorganising the system.

It requires intervention at the right points, by managing relationships and interactions.

Roadmap

1. Organizational Overview of the Industry
2. Multimethodology DYSODEDD
3. Operator Mapping
4. Analysis of the Leverage Points
5. Transformation Proposals
6. Conclusions

Conclusions



Aristotle

ὁ ἄνθρωπος φύσει πολιτικὸν ζῷον

[The individual is understood within the context of relationships and community].

Politics, (A, 1253a)

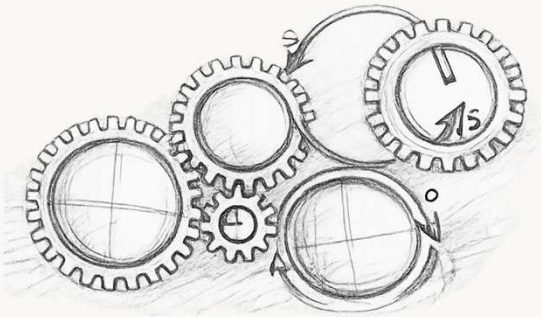
φίλων μὲν ὄντων οὐδὲν δεῖ δικαιοσύνης, δίκαιοι δ' ὄντες προσδέονται φιλίας

[When people are friends, they have no need of justice; but when they are merely just, they still need friendship.].

Nicomachean Ethics (H, 1155a)

◊ ◊

→ With DYSODEDD Multimethodology applied to Leverage Points, we don't just improve structures and processes. We heal human relationships.



Thank you

ELENI E. GEORGIADI, CSAP25