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Just Sports scores big with new replenishment system

By Liz Parks

Very few experiences are more painful to a retailer than having a store full of customers unable to find the items they want to buy. For Kevin Palmer, co-owner and vice president of Phoenix-based Just Sports, a 14-unit chain specializing in licensed apparel and accessories, out-of-stocks – especially at peak selling seasons – were creating too many unrecoverable lost selling opportunities.

“We do half of our business when there are big games and at holidays,” Palmer says, “so when customers at Christmas are making destination shopping trips to our stores [only to be] unable to find what they want, we have to act.”

Palmer says that Just Sports, which replenishes its stores overnight from a warehouse no more than three hours away from any of the stores, urgently needed a computerized system that would let it keep track of the inventory at the warehouse. Because the stores are small (1,400 to 2,400 sq. ft., with backrooms averaging 60 sq. ft.), Just Sports is completely dependent on the warehouse to replenish what each store has sold the day before.

In researching possible solutions, Palmer and Just Sports president Kelly Roberts found Clearwater, Fla.-based Retail Teamwork, which was developing an integrated, all-in-one solution for specialty retailers.

Retail Teamwork uses Microsoft Dynamics (formerly Microsoft Business Solutions) as its operating platform. Its solutions are designed to meet the needs of retailers operating from five to 500 stores, and “can be customized to meet specific unique business needs,” says founder and president Michael Mauerer.

Among its core business workflow features are applications to manage accounting, inventory, distribution and sales, as well as the ability to provide analytical reports.

Just Sports’ DOS-based system simply wasn’t fast enough to ensure timely next-day replenishments. “With our old system, we would get our sales information from each store pulled at the end of the night,” Palmer says.

But at Christmas, when stores are open past 10 p.m., that information wasn’t

coming in until midnight or 1 a.m. "Then we'd have to import that information from our POS system into our warehouse system, and that might take several hours because all the stores would be coming in with all this data at the same time," he says.

As a result, "Our warehouse crew often couldn't start replenishing what the stores had sold the previous day until about 3 a.m., and it would often take another seven to eight hours, going as fast as we could possibly go to finish." That was problematic, in that the stores open at 9 a.m.

During the 2005 holiday selling season, "customers were flocking in, so by the time our warehouse trucks got to the stores, our associates couldn't get the merchandise out until night time," Palmer recalls. "So now essentially, we were two days behind."

Now, with Retail Teamwork, Just Sports is using a bidirectional broadband connection to stream data into and out of its main and store-level computer systems continuously in real time.

"I don't have to wait for the polling process to finish or for the poll data to be processed," Palmer says. "I can literally replenish overnight."

Competitive edge

This past December, Just Sports enjoyed a 25 percent sales increase. The Retail Teamwork system wasn't solely responsible for the lift, Palmer acknowledges, but "replenishment is a huge part of our business" and the system "gives us an edge on our competition."

In addition to polling data from his stores, Palmer is also able to stream data down into the stores, giving associates the ability to look at the inventory at the warehouse and at other stores. Overstocked stores are now easily able to transfer products to under-stocked stores, balancing and maximizing inventory investments.

Although data transmitted online over a network connection is much more up to date than data polled and refreshed nightly, there is the danger that data will be lost if the network goes down. Retail Teamwork supports a back-up database at each store, so if the system ever did go down, the stores could continue to sell and operate normally. Data can be resynchronized when the system comes on line.

To meet one of Just Sports' unique needs, Retail Teamwork created a customized application that lets the retailer view and analyze returns in two different ways: full returns for cash and exchanges. Having that functionality, says Mauerer, gives Palmer the ability to implement a loss prevention application that can identify potential exchange-return fraud.

Just Sports began implementing Retail Teamwork last May. It took about a month to roll out, with Retail Teamwork running all the systems redundantly. "They made the bridge between the old system and the new system so they could talk to each other," Palmer says, "and there were absolutely no disruptions." During implementation, Retail Teamwork was able to electronically transmit all the data from the old systems without manual intervention.

Retail Teamwork has embedded its software with approximately 50 short (one- to three-minute) self-training videos that allow users to train themselves. Palmer was impressed with how easy it was to learn.

"We had a meeting with all the managers," he says, and "I was quite worried, thinking 'I am going to need time, manuals, documentation.' Well, we started in the morning and we took a mid-morning break. When I came back from the break, I saw my managers sitting in front of the two computers ... ringing up sales and having races with each other."

Quick ROI

If a retailer does not need to buy a new POS system or other hardware, it could see ROI from Retail Teamwork in less than a year, says Mauerer. The only expense would be a per-store licensing fee that ranges from \$100 to \$200 per month.

Palmer estimates that if retailers need to buy a new POS system and other hardware, as was the case with Just Sports, they can anticipate ROI in less than two years. "I know the system that I have now is worth much more than what I originally intended to pay," he says.

One of the features Just Sports will be turning on soon is full software integration among POS, distribution, invoicing and accounting.

"Right now we are running multiple applications, islands of software that are not integrated," he says. "We have software for accounting, a different software application for POS, another application for inventory management and so on. We also have Word documents doing one thing; Excel documents doing something else [and] QuickBooks doing accounting."

Retail Teamwork "will bring all those applications into one piece of software, giving us a complete front-to-end solution," Palmer says.

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