

# LIFEWAY CHRISTIAN STORES

IMPROVING PERFORMANCE THROUGH MACRO- AND MICRO-LOCALIZATION



**LifeWay Christian Stores is a multi-channel retailer with a chain of specialty stores and eCommerce website and is a division of LifeWay Christian Resources, one of the largest providers of religious and Christian resources in the world including books, music, digital services and other products.**

## Challenges

**DESPITE RUNNING A LARGE RETAIL OPERATION** with several million store/SKU combinations, LifeWay Christian Stores' allocation and replenishment processes were largely manual and spreadsheet based. Order quantities tended to reflect predetermined static stock levels rather than dynamic sales trends. Assortments were largely standardized across all stores and there was a limited ability to address unique store-level assortment needs.

Over 12 years old and highly customized, LifeWay knew it needed to update its merchandise system and processes to keep growing and satisfying customers. What was needed was an integrated system that would allow for localized store-level intelligence to be efficiently integrated into the centralized planning process.

## LifeWay Christian Stores at a Glance

Specialty retailer of Christian resources

**STORES** 170+ across the United States, eCommerce website

**DCS** 1

**STORE/SKU COMBINATIONS** Over 3 million



## Selecting RELEX

**ONCE THE DECISION WAS MADE** to implement a new system, the LifeWay team wasted no time. Rather than do a Request for Information (RFI) and a separate Request for Proposal (RFP), they combined them to reduce duplication and speed up the process.

LifeWay quickly narrowed the list down to a select group of well-known vendors in the market. Just before distributing the RFI/RFP, the team heard about RELEX. “We thought, who’s RELEX? They’re all over Europe, but new in the U.S.,” says Bill Crayton, VP of Merchandising for LifeWay. “So, we investigated and liked what we saw. We took a chance and we added them to the evaluation process.”

LifeWay wanted a system with robust, all-in-one functionality. The business needed a ‘single version-of-the-truth across the enterprise’; a clear, dynamic picture of future demand, calculated from store-level sales data. It needed to accurately allocate and replenish products and be dynamic with models smartly changing at the store level in reaction to sales trends without manual intervention.

“We wanted a forward-looking forecasting process that was easy to use, but with all the science built-in,” says Crayton. “After the demos and a full scoring process my staff overwhelmingly selected RELEX. They provided the tools and the expertise we needed. They also offered a software-as-a-service model which we wanted.”

Crayton adds, “In addition, RELEX was the only vendor that offered a mobile solution. They also provide additional capabilities, like promotion planning, which we know we want in the future.”

## Restructuring the Planning Process

**LIFEWAY BEGAN** by addressing allocation and replenishment across all their item types including seasonal, ongoing, basic, new and replacement. It all needed to be done in one system down to store level. So, in partnership with RELEX, they developed a two-phased process of macro- and micro-localization.

Macro-localization came first and works from a centralized assortment plan, clustering stores together and varying assortments within store groups. Dynamic store replenishment levels and parameters are set along with store-level forecasts and order points. A forward-looking demand forecast can also be shared with the company’s publishing arm and external vendors.

Next came micro-localization, which infuses store-specific intelligence into the process – from assortment-specific requests to significant sales trends to special event awareness. For instance, as a major bookseller, LifeWay finds that local authors sell well in their areas and wanted to ensure store managers could respond to such opportunities. Additionally, stores frequently host events that may require a one-time increase in inventory in specific items relevant to an event.

Additionally, the RELEX mobile application is being rolled out to stores to empower managers and associates to act to improve

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their individual store performance. For example, they can review available products and select ones they want to add to their store’s assortment plan based on their unique knowledge of their customers. They will also be allowed to request adjustments to their store’s minimum presentation stock. The mobile application will increase the communication and collaboration between the centralized planning and store teams ensuring each store’s customers are better served and important in-stocks are maintained.

## The Project

**ANOTHER DECISIVE FACTOR** was RELEX’s proven track record of rapid implementation. LifeWay made the slightly unconventional decision to go into production just as it was entering the holiday season. The project started in April and the system was live with a large selection of products by August. “We did not have any major issues, and everything actually worked very well,” says Crayton. “We could have been up and running sooner than that, but we had change management to think about.”

## The Results

**“THE RESULT IS THAT WE CAN NOW** better manage store-level inventory and assortments which has allowed us to improve inventory turnover, lower clearance inventory, manage markdowns and see margin increases,” says Crayton. LifeWay now manages their stores and eCommerce with one team using one system and a single view of performance.

The RELEX solution eliminated past manual work and streamlined the ordering process. “Our entire merchandising team sees RELEX as a useful tool for managing assortments and gaining quick access to information,” added Crayton. “We now have a platform for central office and store associates to work together to improve store-level assortment breadth, depth and performance.”

### Results

- ▶ Improved inventory turnover
- ▶ Lower clearance inventory
- ▶ More effective markdowns
- ▶ Increased margin