

ROBERTA ROLLER RABBIT

INCREASING PERFORMANCE THROUGH IMPROVED PROCESS AND TECHNOLOGY



Roberta Roller Rabbit (RRR) is a multi-channel fashion retailer with a chain of specialty stores, eCommerce website and wholesale operation. Roller Rabbit was inspired by a fable of a magical rabbit that founder, Roberta Freymann, found on a piece of discarded fabric in India. Launched in 2003, RRR has evolved into a lifestyle brand offering a plethora of products that are still printed, cut and sewn by hand in collaboration with artisans preserving ancient traditions. Fashions include clothing for men, women and children, as well as accessories and home furnishings.

Challenges

ALTHOUGH A SMALLER RETAILER, RRR faced many of the same challenges larger retailers face. Its team was too siloed and while there was lots of conversation, there was a lack of collaboration. Business processes were getting products ordered, but the assortments were too broad and lacked depth and the management of inventory was resulting in out of stocks while there was lots of inventory available.

Roberta Roller Rabbit at a Glance

US Specialty retailer of clothing, accessories and home furnishings

CHANNELS 11 stores across the US, eCommerce, Wholesale

DISTRIBUTION CENTERS 1

SKUs 4,500



www.robetarollerrabbit.com

The team was lacking the processes and systems to understand what was going to happen in the future in terms of sales, inventory and purchase orders. They were too focused on today and when a crisis popped up it could derail any strategies that had been put in place. Though the company was data rich, they lacked easy access to data, making effective decision making more instinctive rather than fact based.

RRR knew it needed to update its merchandising processes and home-grown system to satisfy customers and continue to grow across all its channels. It also needed better data to accurately forecast and plan for the future and replace gut reaction decisions.

Finding a Partner in RELEX

RRR WAS INTRODUCED TO RELEX shortly after its entry into the U.S. market after a decade of success across Europe. After discussions, RRR decided RELEX would be a good partner that could help address its need for assortment planning, allocation and replenishment, and data access.

The Hard Work Began

“THE TEAM BEGAN THE IMPLEMENTATION by addressing data to avoid the old adage of ‘garbage in, garbage out’”, said Nate Scull, RRR’s Manager of Supply Chain Systems and Processes. RRR has three different sources of information: web sales, SAP ERP for PO Management as well as wholesale inventory and sales, and a POS system for retail store sales and inventory. There were significant inconsistencies between the systems in areas such as product naming and abbreviations. New processes were defined and implemented for creating items and maintaining underlying data so that consistent data could be managed in one place, input into the RELEX application and disseminated to all other systems. The team now has one collective and synchronized view of inventory and sales.

Once the joint team addressed data quality and integration, attention could be turned to business processes. “The old assortment planning process was resulting in assortments that were too broad and didn’t allow adequate inventory and size choices to satisfy customer demand. RRR needed a new process for creating assortments that are appropriate, focused and respectful of the company’s financial plan,” said Joe Young, CEO, RRR.

Previously, a base assortment plan was created and shared with the individual channels via spreadsheets who then independently modified the plan. The channels’ changes weren’t always reconciled before products were ordered resulting in products arriving that didn’t always meet expectations. There was just too much room for error.

The Results

- ▶ Design adoption rate doubled from 35% to over 84%
- ▶ Reduced inventory by 25% year over year
- ▶ Inventory management labor lower by 35%
- ▶ Improved in-stocks

“With the RELEX assortment planning solution, RRR has put assortment planning under ‘one roof’. With the plan in one place, edits can be made that are visible across channels and the products that are ordered meet everyone’s expectations,” added Young. The RELEX solution also ensures the right sizes are ordered by calculating size profiles based on sales history and applying them to the assortment plan to create optimal buy quantities by size. “This has reduced the size assortment planning time from weeks to days,” Young continued.

Right Place, Right Time

RRR’S PRODUCTS ARE 70% FASHION AND 30% CORE. For fashion items, RRR uses an inventory hold-back strategy where an initial allocation is made and a portion of inventory is held for allocation closer to the time of sale. This process was consuming three people to do one allocation shipment a week, while at the same time stores were routinely out of stock while large amounts of inventory were available. RELEX is streamlining this process using demand profiles based on last year’s same season sales data and min/max inventory settings for each store. “This is very important in handling end-of-life products and ensures they get to where they have the best chance of selling for the highest price”, added Scull.

Core product inventory is replenished based on a year-over-year trend forecast using similar demand profiles down to the product-location level. The two inventory approaches combined are ensuring that both fashion and core products are where they need to be when customers are ready to buy.

Reaping the Rewards

THE TEAM USED A PHASED IMPLEMENTATION PROCESS taking the new business processes and system live beginning with the allocation of the Spring 2017 collection. Together RRR and RELEX have continued to tweak and refine the processes and system to optimize performance.

“The RELEX team did a great job of honestly listening to what we were saying and worked to address those challenges through the system. The RELEX solution is very flexible, so we were able to define our optimal business processes and then configure the solution to support them rather than the other way around. As I like to say, technology alone never solves the problem, but business process, technology and the right partners working together solves it,” said Young.

“The results have been remarkable, our design adoption rate, which is the rate at which preliminary designs make it into the final assortment, has doubled from 35% to over 84%. Our assortments are now more focused allowing us to buy deep enough into each of our products to service customer demand,” added Young. “The result is cost savings and improved quality of the final products. Also, inventory has been reduced by 25 percent year over year. The staffing required for inventory management is now significantly lower by 35% and the skill quality and productivity of each person has improved greatly. RELEX has helped us work smarter with less effort and resources.”