

Picking up the pace with Direct Tech

Benchmark Brands uses Forecast*21 and MAPS to help inventory planning keep up with accelerating business demands.

Overview

Benchmark Brands, through its FootSmart catalog and Footsmart.com, pioneered the category of lower body health, combining product categories that include foot care, hosiery, knee and ankle bracing, low impact exercise, back care, and comfort and wellness footwear into an integrated merchandising concept. In addition to self-branded foot and lower body health products, the company offers more than 100 leading brands in a product mix emphasizing stylish comfort, wellness and therapeutic relief.

With over 4 million active customers, FootSmart has become a trusted, direct-to-consumer brand. The company primarily targets baby boomers and seniors.

The FootSmart catalog, a U.S. Top 100 consumer title, features an annual circulation of more than 45 million. The company's e-commerce website, FootSmart.com, is an Internet Retailer Top 200 site serving more than 1.2 million unique visitors per month. In its drive to create the best shopping experience on the web for adults 45+, FootSmart Mobile is focused on transforming the online business from a dot.com to a broad-based digital platform that includes FootSmart.com, FootSmart Mobile, FootSmart Microsites, and FootSmart Tablet.

With rapid channel expansion looming, Benchmark Brands seeks to enhance its ability to offer its customers the comfort, style and lower body health they seek.

Situation

The demand forecasting tools previously used at Benchmark Brands were linked to Excel spreadsheets then updated manually or via macros. They were unable to accommodate for the demand impact of individual offers, such as catalog mailings. The inability to easily reforecast sales and response curves left them constantly reacting to unplanned demand. They were inefficient and missing sales opportunities with late responses to market demand.

In addition, its SKU-intensive footwear offering was becoming a much larger percentage of the business. Due to the rapidly increasing assortments, SKU counts, and overall volume, the manual forecasting was time-consuming to plan by size and simply not accurate. A system was needed that could efficiently and accurately forecast future needs by SKU and time period.

Solution

Knowing that a significant system upgrade was needed, Benchmark Brands key personnel began to assess their specific needs and gather information from stakeholders. After exhaustive internal research, they drafted a detailed “business requirements” document to guide them through the evaluation of possible software solutions. Working with providers, they conducted live software demonstrations, then compared the results against their business requirements and ultimately selected Direct Tech’s Forecast*21 module and Merchandise Assortment Planning System (MAPS) as the best solution for their needs.

With the automated programs, Benchmark Brands hoped to consistently and easily create more accurate forecasts with which to buy their inventory, which would allow orders to be generated on a timely basis and reduce the purchasing team’s workload to a more manageable level.

Results

With Forecast*21, Benchmark Brands’ inventory planners now have a “one stop shop” where they can perform most of their work—entering orders, reviewing performance, forecasting, and event planning, all in one central system. As a result, they are able to spend their time more productively and produce more accurate outcomes. In a short time, the company has noted significant improvement in a number of key inventory performance metrics.

Product availability: The #1 objective of Benchmark Brands’ purchasing department is to have SKUs in stock at the time the customer expects them, in support of a catalog or website listing. The Direct Tech launch has enabled the company to increase its in-stock rate by more than 10%. Correspondingly, the backorder rate has been substantially reduced by 25-33%.

Inventory turnover: With Forecast*21, Benchmark Brands now has the ability to forecast and buy accurately at the SKU level and it has brought dramatic improvement to its turnover rate. Higher in-stock rates plus increased inventory turnover have created a better balance in its assortments, allowing the company to own more of the SKUs it needs, while owning less of the slower selling SKUs.

“We are thrilled with the efficient and accurate forecasts being done in Forecast*21 by our Purchasing teams and the end result in improved availability, backorders, and inventory turnover.” —Alice Miller, Director of Planning and Purchasing

“Direct Tech’s partnership is invaluable. From everyday assistance on issues, to challenging us to ‘think out of the box’ to solve business issues, we could not be as successful without this partnership.” —Elizabeth Jenkins, Manager of Planning Systems

For best in class demand planning, merchandise planning and analysis, and inventory planning and purchasing solutions visit www.direct-tech.com.

If you’re in need of smart comfort, check out www.benchmarkbrands.com.