



The Eyes Have It

Better inventory visibility leads Devlyn Optical to a surge in sales

by JOHN MORELL

Devlyn Optical appeared to have everything going for it. With stores in Mexico, Guatemala, El Salvador and the southwestern United States, the family-owned business had a firm niche and excellent brand recognition among Hispanic eyewear consumers.

However, Andrew Devlyn was uneasy.

Throughout 2015, the company's director of innovation sat in his Mexico City office watching digital sales trends and worried. Its customers were adept at buying services and products through omnichannel retailers, but while Devlyn Optical had a prominent online presence, customers were becoming miffed by the lack of inventory transparency.

If trends continued, he saw that the company would be eclipsed by competitors with more integrated inventory systems that allow for greater product selection online and better inventory control in the stores.

"We didn't have a problem yet, but we could project to see where our customers were leading us," Devlyn says. "If we didn't follow, then we were going to have a problem."

He sought out omnichannel experts at the National Retail Federation's annual convention to get their thoughts on how to approach this challenge; a meeting with Michael Sonier, head of omnichannel for Magento, turned out to be fateful. "He saw what we were looking

for and knew how to address it," Devlyn says. "We were sold on them very quickly."

BREAKING DOWN SILOS

"Their issue was that the inventory picture was dispersed," Sonier says. "Each store had a very shallow inventory, by necessity. You can't carry thousands of SKUs in the average 700-square-foot store. And there was inventory in the stores that wasn't online. The goal was to break down inventory silos so he can expose his store inventory to the online channel and expose what's online to the stores, so you get the endless aisle effect."

Each Devlyn Optical location carries 12 to 24 brands, with a variety of frames



based on their popularity in a given area. Warehouses with a fuller selection of sizes and colors supply the retail outlets.

“People would see that we had a particular style and color in our warehouse, but products in the warehouses were moving so quickly to the stores it was easy for it to get ‘lost,’” Devlyn says. “We had to allow customers to see the entire inventory, even what was in our stores, to create a kind of one-step transparency.”

The company was already using a Magento system to organize their inventory; Devlyn felt it was a natural step to upgrade to the company’s latest ecommerce platform. He then told Sonier something that surprised him. “I said that we would do the installation ourselves with our own IT staff,” he says.

Nearly every time its systems are purchased, Magento brings in a third-party developer to integrate it into the retailer’s operation. “I was impressed that Andrew knew what he was doing and felt that he and his team could do it,” Sonier says. “We provided whatever support they needed and they did a wonderful job doing it themselves.”

In October 2016, Devlyn was confident enough to roll the system out in six stores. “The ease of use made a big impression on the store staff,” he says. “If they didn’t have a product, they didn’t have to shift over to the inventory system at the point of sale. It was all there, very seamless.”

It had become common for store staff to communicate via a web chat service

to locate inventory to address customer needs. This worked occasionally, when queries were answered while the customer was still in the store. More often than not, though, sales were lost due to a lack of inventory transparency.

“Suddenly, we could see the products that each store had and could place the order right

at the register,” says Devlyn. “It created a seamless process of order management.”

SALES ATTRIBUTION

Training has mostly been online; each sales district has a “mentor” who assists and answers questions. A video program was produced to show the system in action, as well as a user guide.

As the system was rolled out, Devlyn began seeing an issue crop up among the stores involved. “It was evident that while it appeared the new system was working, there were lots of questions by store management,” he says.

“While everyone was happy that sales were up, we hadn’t figured out how to attribute the sales, which created some discussions on how to handle it.”

The problem was basically figuring out who gets credit for a sale when one store places an order that takes from another store’s inventory.

“This is a common issue for lots of companies since traditionally each store is judged on its sales figures,” Sonier says. “If you’re Store A and you sell something from Store B’s inventory, it’s great for you because you just had to do a few keystrokes. Store B has to package and ship the item. So it’s probably not fair for just one of the stores to get the credit.”

Sonier recommends that when looking to implement a comprehensive order management system, executives include store operations personnel in the discussion. “Everyone figures out the

incentive element their own way,” he says, “but it’s critical to get the opinion of the people at the store level since they’re the most affected by this issue.”

Devlyn Optics worked out a plan where basically each store that’s involved in a part of a sale gets a credit. “The goal is to change the calculus of the sales and focus on overall sales for the company,” Devlyn says. “We have to change the way we do compensation packages so that instead of sales they’re focused on great customer experience.”

The company is slowly moving the system to its other stores, adjusting as it goes. “It’s better to fix any issues on a smaller scale first than to quickly introduce it company-wide and deal with them across 1,200 stores,” Devlyn says.

SHOCKING RESULTS

Results created a shockwave through the company. When in-store inventory was exposed on the new system, online conversion rates increased 150 percent over the previous year.

“Each store now has access to more than 10,000 SKUs, compared to before when they only had what was in-store, which was around 500,” Devlyn says.

“The question now becomes, ‘How do you help a customer find what they want when you have so many SKUs?’”

One area the company is addressing is a renewed focus on associate training, giving them skills to help assist the customer’s search for frames.

“Modernizing inventory management helps the business focus on other areas of need, such as personalization and curating a selection of products for that particular consumer,” Sonier says.

Devlyn is already aiming at his next challenge, which he sees in AI. “We hope to eventually give customers the same type of concierge service they receive in the store online, which, as we see every day, is something that’s becoming closer to reality.” **STORES**

John Morell is a Los Angeles-based writer who has covered retail and business topics for a number of publications around the world.