

# Digging Deep

LifeWay Christian Stores incorporates store-level data into planning processes

by WILLIAM F. KENDY

It is hard enough to effectively manage inventory for one retail store. It's a lot more challenging to accomplish the same thing with almost 200 retail outlets.

That is exactly what LifeWay Christian Stores set out to do.

Based out of Nashville, LifeWay is a multichannel retailer with a chain of 174 specialty stores and an ecommerce website. It is a division of LifeWay Christian Resources, one of the largest providers of religious resources in the world including books, music, digital services and other products.

In 2016, LifeWay decided its old and highly customized merchandising system needed to be updated to support its growth and the ability for local store-level intelligence to be efficiently integrated into the centralized planning process.

"Assortments were largely standardized across all stores and there was a limited ability to address unique store-level assortment needs without going through a cumbersome special order process through our back-office systems," says Bill Crayton, LifeWay's vice president of merchandising.

"The business needed a 'single version of the truth' across the enterprise and a clear, dynamic picture of future demand, calculated from store-level sales data," he says. "The system had to be robust and dynamic, offer all-in-one functionality and be able to accurately allocate and replenish products without manual intervention. It had to offer a forward-looking forecasting process with all of the science built-in, and it had to be easy to use."

## MOBILE CAPABILITIES

Recognizing that he had a pretty tall order to fill, and the lack of user-friendly systems in the market that could handle what Lifeway was looking for, Crayton narrowed the list of prospects to about a half dozen known industry vendors.

Its combined request for information and proposals required all the standard requirements, along with a full-blown demonstration. After all was done and the smoke cleared, RELEX, a Finland-based corporation that had just recently entered the U.S. market, won the business. RELEX wasn't even included on the original RFI/RFP list — it was added late in the process.



“At the 11th hour, we heard about RELEX and thought, ‘Who is RELEX?’ So we investigated, found out that they were all over Europe but new in the U.S., and serious about this market,” Crayton says. “We liked what we saw, took a chance and included them in the evaluation process. They brought to the table pretty much what we were looking for.”

In addition to meeting all of LifeWay’s criteria, RELEX offered a few additional benefits that affected LifeWay’s decision. The ability to offer a software-as-a-service model along with a proven track record of timely implementations and mobile capabilities were all important considerations.



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— Bill Crayton, LifeWay Christian Stores

“Mobile played a role in the decision to move forward with RELEX,” Crayton says. “They were the only vendor we found that offered a mobile solution. Mobile capability is a critical component enabling an effective and efficient micro-localization model.”

RELEX was founded in 2005 by three logistics scientists who were conducting research at the Helsinki University of Technology. After some research dives, they realized the systems available for conducting store replenishment and forecasting lacked needed capabilities to support modern retailers, and founded the company to fill that void.

Today, the company provides an integrated retail and supply chain planning system including demand forecasting, automated replenishment, space planning and assortment optimization.

RELEX steadily established its presence in Europe, but didn’t make the commitment to venture into the U.S. market until 2015; it currently services nearly 200 customers across 18 countries and has 10 offices worldwide. In addition, it has a number of “go-to-market” partners that offer sales and implementation and support services around RELEX systems in both established and new markets.

#### STREAMLINED ORDERING

LifeWay began the installation process, broken into a two-phase process, in April 2016. Phase I was “macro-localization,” which works from a centralized assortment plan that organizes stores into groups and develops different product assortments for each. It allows for store replenishment levels with store-level forecasts and different ordering points. It also provides the ability to share information and forecasts with LifeWay’s publishing arm and even vendors. Phase II was “micro-localization,”

which incorporates and blends local and store-specific data into the mix and the ability to adjust inventory on that level to accommodate customer demand and needs. That can range from specific product demand to measurable response to special events and even sales trends on the front lines.

“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,” Crayton says. “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 are also allowed to request adjustments to their store’s minimum presentation stock.”

Crayton says even though LifeWay made the decision to install the system just as it was entering into the holiday season, it went without any major hitches.

“The projects started in April 2016 and the system was live with a large selection of products by August of 2016. We didn’t have any major issues and everything worked very well,” he says. “We could have been up and running sooner, but we built in time for change management.”

In terms of results, Crayton points out that the RELEX system allows LifeWay to better manage store-level inventory and assortments. All of that has resulted in higher inventory turnover, lower clearance merchandise and the ability to better manage markdowns.

“The RELEX solution eliminated past manual work and streamlined the ordering process,” he says. “We now manage our stores and ecommerce with one team using one system and a single view of performance.”

“We now have a platform for central office and store associates to work together to improve store-level assortment breadth, depth and performance.” **STORES**

William F. Kendy writes, consults and speaks on retail, marketing, advertising, sales, customer service and best practices.