



## JustEnough Reduces Inventory Costs for Cooking.com by 35%

### Industry

Specialty online retailer

### Challenges

Cooking.com's business challenge was to grow revenues by adding new products without bringing in a larger quantity than needed initially or too small a quantity and then stocking out.

### Solution

- JustEnough Demand Forecasting
- JustEnough Inventory Planning

### Results

- 5 percent reduction in inventory costs
- 75 percent reduction in the time taken to forecast and replenish – reduced from a week to a day
- New SKUs modeled on existing SKUs
- Changed from managing 6,000 SKUs manually to automatically by exception
- Company-wide access to centralized information

Cooking.com is a leading online and catalog retailer of cookware products, offering a complete assortment of top-brand cooking products at competitive prices. Founded in 1998, Cooking.com is based in Santa Monica, Calif.

While its warehouse operations were running efficiently, Cooking.com's demand forecasting and inventory planning was spreadsheet-based, resulting in a process that was time-consuming and inefficient.

"Our business model is to add new SKUs every year and right now we have almost 6,000 SKUs,"

said Bryan Handlen, Cooking.com vice president of operations. "We knew that using Microsoft Excel spreadsheets would not be adequate to review sales and evaluate what our orders needed to be with the new SKUs."

"One thing we did not do very well on a spreadsheet was forecasting and reacting to new item-sales," said Handlen. "We would either bring in a larger quantity than we needed initially or bring in too few items and then not be able to react quickly enough when we ran out of stock."

“Lead times also just didn’t mean a whole lot to us in the past because we weren’t able to truly track them,” said Handlen.

Greg Fox, Cooking.com’s director of planning, said, “We wanted to decrease the time we spent

“JustEnough does a great job of enabling us to ramp up and quickly react to changes,” he added. “We can start with a smaller initial inventory on new items because we can react much quicker as we see what its sales pattern is going to be like.”

“In the fourth quarter, we achieved a 35 percent reduction in inventory costs. JustEnough paid for itself in the fourth quarter alone.”

Bryan Handlen, vice president of operations for Cooking.com

on our manual replenishment processes. We would literally go through 4,000 or 5,000 SKUs individually to see the sales patterns and trends.”

For Fox and his team, it took three days to analyze the inventory, one day to manually enter the data into the purchase order solution SKU-by-SKU, and another day to fax information.

Team members had no way to discern how long they were out of stock and whether they were losing sales as a result.

JustEnough was engaged to:

- Reduce inventory levels
- Achieve a better stock mix (for the same inventory value)
- Decrease the cost and time spent on the replenishment processes
- Improve planning
- Reduce lost sales
- Improve service levels

### Reducing Inventory Levels

“In the fourth quarter, the company ran 2,000 more SKUs on the same out-of-holiday inventory dollar amount, which equates to a 35 percent reduction in costs,” Handlen said. “I would say the product paid for itself in the fourth quarter alone.”

### Achieving a Significant Time Savings

JustEnough can mimic an existing SKU or set of SKUs and forecast a new item very quickly, then make adjustments to that forecast as sales data comes in.

Demand forecasting and replenishment was reduced by 75 percent, from a week to about a day. Information that had been stored in spreadsheets was transitioned to a central repository for cross-functional integration.

JustEnough provided a higher degree of real-time reporting to everyone in the company. The merchandise team analyzes data at a vendor or department level. The finance team uses customized reports to check the open-to-buy or inventory dollar levels.

“The solution gives everyone in the company a much better ability to analyze data and make directional decisions for the company,” said Handlen.

### Improving Lead-Time Measurement

“JustEnough measures lead time by vendor and by product and then suggests the timing of purchases based on the actual lead times we are experiencing,” Handlen explained.

Even products produced by the same vendor can be shipped from multiple destinations. As such, it’s important to monitor lead times by individual items.

“JustEnough does a good job of determining what we should use as an adjusted lead time for each item,” Handlen said. “That has been a tremendous improvement for us.”



“There were no problems that JustEnough couldn't solve.”

Bryan Handlen, vice president of operations for Cooking.com

### Benefitting from a Successful Implementation

Integration of the JustEnough solutions was a straight-forward process of mapping the data and writing automated scripts. It was completed within three weeks.

“It was phenomenal,” said Gerald Morgan, Cooking.com's chief technology officer. “JustEnough managed to exceed our expectations and get us up and running in a timeframe we did not believe was possible.”

Fox expressed a similar sentiment, adding, “There are really no superlatives that I couldn't use because the implementation was just so seamless, and there were no problems that JustEnough couldn't solve.”



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### About JustEnough

Founded in 1994, JustEnough is a global leader in Demand Management solutions. JustEnough services more than 500 of the world's leading brands including Allocation and Replenishment of inventory at **Kenneth Cole**, Merchandise and Assortment Planning at **Levi Strauss**, Sales Forecasting at **Kraft Foods**, Inventory Planning for **IDS Group (Li & Fung)** and **Nissan**, and Mobile Sales Force Automation at **SAB Miller**, **Cadbury** and **Heineken**.

**OnCloud**, **OnSite** and **OnMobile**, JustEnough's Demand Management solutions help retailers, distributors and brand owners to forecast their customer demand, plan their assortments, allocations and inventory, shape their demand and then execute on those plans. JustEnough is headquartered in the United States with offices worldwide. Learn more at [www.justenough.com](http://www.justenough.com).