



# Strandbags

## JustEnough Restocks Strandbags' Stores With Fast-Moving Products, Reactively Replenishes Slower Items

### Industry

Specialty Retailing

### Challenges

Strandbags' planners lacked store-by-store buying pattern data and other tools to ensure accurate, prompt stock replenishment. The company's use of a min/max technique to stock stores resulted in suboptimal inventory stock levels across the chain.

### Solution

- JustEnough Demand Forecasting
- JustEnough Inventory Planning

### Results

- Ability to send stock to stores where it is most likely to sell
- Optimized sales potential for each product based on actual sales history
- Ability to tap into hierarchy profiles, providing store-based sales trends for new fashion items
- Improved promotions, using forecasts that ensure inventory always meets customer expectations

The Strandbags Group is one of Australia's largest specialty retailers with more than 350 stores throughout Australia, New Zealand, the Middle East and South Africa.

Items sold include leather and synthetic handbags, small leather goods such as men's and ladies' wallets, travel goods, briefcases and backpacks. Strandbags also owns the Equip chain of stores selling fashion jewelry and accessories.

Strandbags' supply chain is a long one due to distance. Supplier warehouses can be half a world away, requiring transoceanic shipments. The

second reason is time. According to Strandbags' business analyst Nathan Toussaint, distances mean the company is essentially cut off from the rest of the world and faces a six-week lead time shipping to places like Dubai or South Africa.

An obstacle to reducing stocks is the large number of slow-moving items. On paper, it may appear each store needs at least one of a particular handbag. But according to Toussaint, the moment Strandbags "might consider stocking stores that way, you stand the potential of losing a lot of sales."

There are slow-moving and extra slow-moving items, Toussaint noted, all depending on the range

of products displayed and the size and nature of the customer base at certain stores in particular countries.

Strandbags must also manage a wide diversity of accessory products.

“This gives customers many choices,” said Toussaint. “Some might like a pink bag with black dots while others want an all-black bag. Others might want variations upon variations of that.”

After investigating several solutions, Strandbags selected JustEnough’s Demand Forecasting and Inventory Planning solutions to:

- Optimize sales potential of selected items in stores most likely to sell them
- Improve efficiencies by proactively stocking faster-selling items and reactively replenishing slower-moving items
- Guarantee outlets a lead-day system for promotional- or seasonal-selling opportunities
- Ensure in-store display quantities and optimal safety-stock levels

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Nathan Toussaint, business analyst for Strandbags

Historically, fluctuating considerations led Strandbags to make general, blanket store-stocking decisions, giving each store the same amount of inventory.

But blanket ordering and practicing min/max stocking techniques weren’t successful. Strandbags, lacking a store/SKU prioritization tool and facts, realized its inventory levels were way too high.

“There was very little science being applied to store stocking and we could not replenish them quickly, given the distances,” Toussaint recalled. “We could not do so because we lacked in-depth analytics. But even if we had analytics, we still needed to decipher the meaning behind the numbers. We couldn’t.”

A final hurdle pertained to lead days and the timely, accurate, shipment of items.

Stores have replenishment needs ranging from overnight delivery to international delivery. Strandbags relied on memory to send stock by certain dates to certain locations so that

items could arrive in time for a promotion or take advantage of a holiday sales period. The retailer didn’t have advance knowledge of when to push inventory to stores.

## Fast-Turning Products Get Quickly Replenished

Strandbags believes JustEnough “is very confident in its ability to forecast and replenish our slower-moving items and not let us risk losing a sale,” Toussaint said.

JustEnough also helps Strandbags speed up faster-moving items to capitalize on selling opportunities.

“At the store level, it was nearly impossible for us to know what needs to be in a SKU combination. But JustEnough has a unique way of forecasting and replenishing Strandbags’ stocks accurately at the store/SKU level. This would be very labor-intensive otherwise,” Toussaint explained.

Strandbags now delivers highly sought-after products right down to the store/SKU level and far more quickly, thus avoiding lost sales.

The retailer’s planners work closely with regional managers who also seek valuable input from stores. Planners determine the assortment of stores to receive a selected SKU/product mix. This enables them to generate a buy plan. JustEnough supplies vital intelligence supporting these plans.

The software decides where an item needs to continue to be stocked and its ideal quantity. It also determines whether the quantity should increase or decrease over time. Lead-day requirements now built into the system enable Strandbags’ planners to push selected amounts of inventory on time and more accurately.



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Nathan Toussaint, business analyst for Strandbags

From the store’s perspective, onsite retail managers are now confident about building sales because when they see a particular item is selling fast, they know it will be replenished quickly.

“Stores are amazed that their deliveries include more of the products they see selling well,” Toussaint said. “Previously, if two or three items were selling quickly, they’d need to wait a week or more for new stock.”

### Ideal Display Quantities: No More Jam-Packed Fixtures Hiding Hot Sellers

Strandbags also utilizes the software to achieve proper store display quantities. Toussaint said planners first looked at how products appeared on each store’s display fixture.

“We want to show customers a product is selling well. You cannot do that with a fixture jammed with five or six of the same item. Overcrowding can hide a popular item,” he noted.

Prior to using JustEnough, when customers looked for a certain handbag at one of Strandbags’ stores, they couldn’t see it at times due to overcrowded fixtures.

“It’s not that we had too many options in our stores but rather we had too much of everything on display. We started using JustEnough to help us ensure our hot-selling products were not hidden from view. JustEnough intelligence helped. It’s the only software that can tell us exactly what and how much stock is in the stores, thus ensuring our display quantities and safety stock are at correct levels,” Toussaint added.

The effort has helped Strandbags reduce its markdowns, resulting in a financial boost for the company, Toussaint said.

Australia’s remoteness is less of an issue now, too, thanks to JustEnough.

Technical and functional support “has been brilliant,” Toussaint said.

JustEnough works on issues during the retailer’s business day so that a resolution is determined by the time Strandbags’ employees arrive the next morning.

“Normally, it might take a software company two days to resolve an issue but with JustEnough, it is tackled and fixed while I’m asleep,” Toussaint concluded.



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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).