

JustEnough reduces stockholding for Joshua Doore by 11% in six months



Industry

Retail: Furniture, appliances and home entertainment

Challenges

1800 Key lines managed manually across 145 widely spread stores.

Goals were to replace manual inventory control with centralized, automated placing of orders, correct stock mix and ensure availability of advertised lines and key products and make on-going redistribution recommendations.

Solution

Joshua Doore implemented JustEnough's UnLimited Demand Forecasting and Inventory Planning solution.

Results

Topped groups sales because of correct stock mix.

Inventory holding down by 11% in six months.

1,800 Key lines managed centrally by only two person for all 145 stores.

Placing orders for all items reduced to a two days.

Redistribution recommendations available in under a minute.

“We topped the group’s sales because we now have the right stock in the stores and on the showroom floors.”

— Andre Barnard
Merchandise Executive

Centralized Inventory Control

Joshua Doore is largest furniture, appliances and home entertainment discounter, trading out of 145 stores. It is owned by JD Group, a mass consumer financier and leading furniture and appliance retailer, operating through six chains, totaling 547 stores.

With JustEnough, a product listing of 4,500 items at each of the 145 stores is centrally managed by merchandising executive and an assistant.

JustEnough’s goals were:

- ❖ Replace manual inventory control with centralized control of 1,800 key products.
- ❖ Automate the placing of orders.
- ❖ Ensure the correct inventory mix happens at all stores, advertised lines available and product range on display.
- ❖ Enable continuous stock rebalancing through redistribution recommendations.

Right stock and the right time

Under manual inventory control, getting the right stock mix at each store was difficult. Advertising efforts were being sabotaged by errors in coordination. With JustEnough, sales have increased as advertised items are in stock and key products are on display. Even special stocking requirements at some stores are taken care of.

Suppliers have benefitted as orders are placed in time and alterations and cancellations are reduced. Especially difficult is placing orders for Christmas demand. Supplier orders need to be placed as early as August due to high demand from all retailers, long manufacture times and the December holiday shutdown. JustEnough future order projections is standard functionality.

Supplier lead times are also monitored to prevent late deliveries from causing stock-outs.

Visibility

“The ability to see what is selling and the rate of sales across the stores in real time means we are now able to better forecast requirements and to order goods in advance, to place orders and to order more frequently,” says Barnard. “These are all keys to lower inventory holdings.”

Just the data extraction process gave users a comprehensive view of their stocking situation.

Managing customers, not stock

Increased productivity is always a result of a JustEnough implementation.

“JustEnough has taken much of the pressure off branch managers. Instead of spending hours reordering and forecasting, they can concentrate on store and customer management.”

“In the past it took five days to calculate orders for the top 200 advertised lines. Now it takes two days to forecast and place orders for the entire range of 1,800 lines.”

The complaints department has been reduced from three full-time employees to one part-time staffer.

Distribution and Redistribution

Supplier order recommendations are automatic, as are distribution recommendations from warehouse to store. Redistribution between stores is also made easy, especially with color variants being moved to higher demand points of each.

“One of the keys of success has been the JustEnough consultants’ ability to deal with issues in the shortest time – their service has been excellent.”

— Andre Barnard
Merchandise Executive

In the past, redistribution of inventory from stores with excess to those needing it, would require managers to wade through long printouts to determine where inventory was needed and from where it had to be sourced.

“JustEnough calculates the answers for the whole group in 15 seconds,” says Barnard.

Spin-offs

JustEnough helps with maintenance and other areas of improvement:

- Details of insufficient display stock
- Outstanding inter-branch transfers
- Outstanding customer orders

Results

- ❖ The Joshua Doore chain topped the JD Group’s sales with the implementation of JustEnough
- ❖ Inventory six months
- ❖ All key and advertised lines managed by merchandising executive and an assistant.
- ❖ Order placing for all stores in less than two days.
- ❖ Redistribution instituted as a key stock-rebalancing strategy.

After implementing JustEnough at Joshua Doore, the go-ahead was given for another seven chains.

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JustEnough is a market and technology leader in demand forecasting and inventory planning. JustEnough’s on-demand and on-site inventory management solutions help retailers, wholesalers, manufacturers and distributors of every size to forecast their customer demand and calculate their safety stock.

Each year JustEnough calculates over 1.5 billion forecasts and recommends over 826 million orders to more than 8 million suppliers for customers worldwide, including Philips Lighting, Cooking.com, Nissan Diesel, Seventh Generation, Blain’s Farm & Fleet, Pick n Pay Fresh Produce, Audi, Nissan, Cell C and Gold Fields.