The **Bargain!** Shop Improves Inventory Turns and Reduces Out-of-Stocks with JDA Software

**The Bargain! Shop**

**Fast Facts**

**Industry**
General Merchandise Retailer

**Headquarters**
Mississauga, Ontario, Canada

**Description**
The **Bargain!** Shop, a fast growing retail chain of extreme-value, general merchandise stores with locations across Canada, offers brand-name and private-label goods across a broad selection of product categories, including basic consumables, housewares and apparel.

**Revenues**
CAD $282 million

**Number of Employees**
2,000

**Business Challenge**
To position itself to become one of the largest junior discount retailers in Canada, The **Bargain!** Shop sought advanced retail solutions to improve business processes, sales and inventory turns.

**Business Solutions**
- JDA® Merchandise Management System
- JDA® Performance Analysis
- JDA® Win/DSS

**Business Benefits**
- Reduced out-of-stocks
- Increased visibility to better manage inventory movement
- Optimized store merchandising
- Improved margin gains

**Quantifiable Benefit**
- Improved inventory turns by 10 percent

As a direct result of intelligent allocations supported by IDEAS and other business process improvements, we have reduced out-of-stocks and improved turns by ten percent. In addition, we are experiencing margin gains in excess of our initial expectations, and we’ve over achieved on plan. All of these benefits can be attributed to a combination of our improved business processes and JDA software solutions.”

- Clinton Wolff, vice president and CFO, The **Bargain!** Shop
Canadian general merchandiser, The Bargain! Shop believes that bigger is not always better. The Bargain! Shop ensures that each of its 250 stores is easy to navigate and close to home. Unlike the big-box chains, The Bargain! Shop promises that its customers will always find stores fully stocked with a respectable selection of high-quality items at discount prices.

By catering to a time-starved market segment seeking big-box alternatives, the company is positioning itself to become one of the largest junior discount retailers in Canada. Assisting The Bargain! Shop in its quest for corporate growth through operational excellence, the retailer is utilizing industry-leading Merchandising and Store Operations solutions from JDA Software. The JDA solution suite, in combination with improved business processes, is enabling The Bargain! Shop to achieve impressive results that include reducing stock-outs and improving inventory turns by 10 percent.

**Achieving Retail Growth**

Since 2001, The Bargain! Shop has utilized JDA® Merchandise Management System (MMS) and JDA® Win/DSS solutions for integrated inventory and point-of-sale transaction management. In 2003, the retailer implemented JDA® Performance Analysis to transform business data into meaningful information that could be used to drive business success.

According to Carole Peeling, director of IT at The Bargain! Shop, MMS and Win/DSS were absolutely critical for the retailer's future growth. Stated Peeling, “JDA’s Merchandise Management System and Win/DSS solutions enabled us to take the first steps towards doing the right things in retail. We have the visibility needed to manage our merchandise acquisitions and inventory movement so that we can efficiently get the inventory to where it will sell.”

Peeling was particularly pleased with the quick implementation of MMS and Win/DSS. Added Peeling, “The implementation went very smoothly, we could not have implemented any faster than we did. With MMS, we went live within six months. As for Win/DSS, we were able to pilot the point-of-sale solution within six months and we went live at all of our stores within nine months. We couldn’t be more satisfied with the results.”

**Exceeding Expectations with Performance Analysis**

With the initial solutions in place, The Bargain! Shop was ready to take advantage of the data that it had been collecting.

According to Clinton Wolff, vice president and CFO at The Bargain! Shop, “JDA’s Performance Analysis solution was something we wanted to implement in
order to turn our data into actionable insights. Knowing that it is almost overwhelming how much you can do with the solution, from the very beginning, our objective has been to focus on one business process at a time.”

In order to become more strategic about getting the right merchandise to the right locations, The Bargain! Shop’s first task was to focus on allocations.

“There are very few things that a customer hates more than coming into a store and not being able to find the merchandise that they want to purchase,” remarked Wolff. “To ensure that our shelves are stocked with the right amount of merchandise at any given time, we wanted to show our allocators how to use Performance Analysis to spend less time digging for the data and more time analyzing the numbers for optimal store merchandising.”

The results have exceeded The Bargain! Shop’s expectations.

“As a direct result of intelligent allocations supported by JDA's Performance Analysis solution and other business process improvements, we have reduced out-of-stocks and improved turns by 10 percent,” commented Wolff. “In addition, we are experiencing margin gains in excess of our initial expectations, and we’ve over-achieved on plan. All of these benefits can be attributed to a combination of our improved business processes and JDA’s software solutions.”

Implementing Performance Analysis for Maximum Results

The Bargain! Shop has some helpful advice for implementing Performance Analysis for maximum results.

“The Performance Analysis solution is an incredibly robust data-mining tool. As such, we have high expectations for its use across the organization,” commented Peeling. “But I have heard from numerous users at previous JDA FOCUS conferences that their users were not taking full advantage of the product. I believe that this is because they pushed the full solution out to all of their users rather than focusing on one issue at a time.”

On making the implementation a success, Peeling stated, “It is my experience that providing global availability of a software product isn’t necessarily the best implementation methodology. For maximum results, organizations must remain focused on improving one business process at a time — I think this is a key reason why we’ve had achieved such incredible results with the Performance Analysis solution.”

About JDA Software Group, Inc.

JDA® Software Group, Inc. (NASDAQ: JDAS), The Supply Chain Company®, is the leading provider of innovative supply chain management, merchandising and pricing excellence solutions worldwide. JDA empowers more than 6,000 companies of all sizes to make optimal decisions that improve profitability and achieve real results in the discrete and process manufacturing, wholesale distribution, transportation, retail and services industries. With an integrated solutions offering that spans the entire supply chain from materials to the consumer, JDA leverages the powerful heritage and knowledge capital of acquired market leaders including i2 Technologies®, Manugistics®, E3®, Intactix® and Arthur®. JDA’s multiple service options provide customers with flexible configurations, rapid time-to-value, lower total cost of ownership and 24/7 functional and technical support and expertise. To learn more, visit www.jda.com or e-mail info@jda.com.