

## Supply Chain/Logistics

## Drive Inventory Optimization

A new SaaS (Software as a Service)-based merchandise management and POS solution enabled this SMR to open stores in weeks instead of months.

by Erin Harris

Vineyard vines' flagship store opened on Martha's Vineyard in 1998. What started out as a wholesale necktie business has grown into a chain of 13 brick-and-mortar apparel stores based on vineyard culture for men, women, and children. To keep pace with its rapid growth, vineyard vines needed to implement integrated inventory and POS systems throughout its portfolio of stores to replace the legacy system that lacked the functionality to foster growth.

Vineyard vines' legacy system managed both inventory and merchandising functions but lacked the capabilities to drive inventory optimization and streamline processes. However, before any new systems could be implemented, several process changes had to be made throughout the business from an organizational alignment standpoint. "Because we are using some homegrown systems, we had quite a bit of data migration work to do before we would consider a full-scale technology overhaul," says Abu Bakar, CIO at vineyard vines. "And, because we started as a wholesale company and then built our retail capabilities, we had to hire a retail-focused team to implement new processes and procedures. Yet, at the time, the company was growing very quickly, and we knew we wanted to invest in technology to encourage that growth. But, we couldn't open stores without considering the infrastructure and IT components."

Indeed, Bakar indicates that the company needed systems that aligned with vineyard vines' three-year growth strategy. "We wanted to be at a point where we wouldn't have to be concerned whether our systems would hinder how quickly we could open additional stores," says Bakar. "We were looking for a routine process whereby we could just go ahead and open new stores within a six- to ten-week time frame instead of several months."

### SaaS Saves Money

In addition to POS, inventory, and merchandise management, Bakar was looking for a suite that included a reporting package as part of its offering. Via RPE Solutions, a retail software and managed services provider, Bakar chose JDA Merchandise Management System (MMS), Retail IDEAS (the reporting suite), and JDA POS to overhaul the retailer's homegrown system. All the applications are connected to the back office merchandising management system, which is JDA MMS. All products, promotions, markdowns, inventory, and reporting are handled by JDA MMS. "We also added RPE's SaaS model to it, which means we don't have to worry about anything on the infrastructure and support sides of this project — and, we didn't have to make any large capital investments up front," explains Bakar.

Since the implementation, vineyard vines has reaped many benefits. "We didn't want to get into the business of managing the day-to-day hardware connectivity issues, network issues, servers, software licensing, etc.," says Bakar. "Now, all of that flows back into RPE's SaaS model, and with 24/7 support, and we could not have afforded to do that on our own." Indeed, Bakar explains that JDA POS, JDA MMS, and Retail IDEAS have helped the retailer optimize inventory and gain inventory visibility, because vineyard vines has one system in place. In addition, the retailer can analyze data (e.g. sales trends, shipments, allocations, etc). Visibility into the retailer's supply chain has improved, because the retailer can ensure that the right product is in the proper channels. "The bottom line is that we have laid the foundation to optimize the inventory," says Bakar. "And, now we have complete visibility on what we're selling and how we're selling, and we do a much better job on weekly inventory replenishment — something that we could not accomplish before this implementation." ■



RPE provides 24/7 support to vineyard vines' merchandise management suite from JDA.

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