



A conversation with Stephanie DeLuca, Associate Client Manager at 4R Systems, and Jared Brown, Senior Analyst at Aubuchon Hardware, discussing how business has been at Aubuchon since bringing 4R Systems to their team.

4R PROVIDES AUBUCHON HARDWARE WITH SOPHISTICATED AND ADAPTIVE REPLENISHMENT SOLUTIONS

Managing a "just-in-time" approach in inventory position.

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“Existing resources didn’t provide the data driven insights to see if a particular store was dealing with lost sales.”

Jared’s story may sound similar at first to a lot of retail owners when it comes to inventory. Aubuchon took a very cookie cutter approach to managing their inventory, meaning that each store within their chain ordered mostly the same items and were presumed to have the same productivity no matter the region, customer dynamics or size of the store. Jared explained that prior to coming on with 4R, Aubuchon’s current replenishment tools included abilities with individual stores but lacked more of the chain dynamics and therefore, poor sales in one store led to poor sales in another and so on.

Existing resources didn’t provide the data driven insights to see if a particular store was dealing with lost sales because demand exceeded expectation, while another store was dealing with overstock of the same item. Jared explained

that, while they had a replenishment solution “a lot of our work was done manually and we would basically just load up on items early in the season and then dump it all and let replenishment take over as best it could throughout the season to keep us at a minimum in-stock position. By the end, we just hoped everything had sold and if not, we would clean up whatever was left.” For Aubuchon and several other retailers that take on this same approach, this leads to lost inventory and in turn, lost profit. Jared pointed out that after several seasons of this, they finally concluded that not only did they need to treat each store as its own, they also needed a more sophisticated and adaptive approach in terms of replenishment. This decision led Aubuchon to 4R Systems. Aubuchon signed on with 4R in December of 2016, rolling out Store Replenishment across all chains stores in the weeks that follow.

“It’s challenging and rewarding because now we have a better control on our inventory.”



Jared Brown
Senior Analyst at Aubuchon Hardware

*For Aubuchon, 4R’s current replenishment solution has **really helped them with managing a ‘just in time’ approach in inventory position** where items are on the shelves exactly when and where they’re needed and in the right amount. Moving away from large front loads of inventory has been a big change for Aubuchon with their vendors. They are **ordering more frequently and steadily**, rather than an infrequent and ‘best guesstimate’ order at the beginning of the season.*

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“With 4R’s help, we are putting in place a reliable and more sophisticated measure of lost sales.”

Another item that often negatively affects retail stores is lost sales. **“We obviously use lost sales as a key performance indicator and 4R helped to put into perspective what we were missing by being a little slow to replenish or being insufficient in our quantities,”** Jared says.

He mentions that one thing Aubuchon is doing that is new and different in the industry is that they are attempting to put in place a reliable and more sophisticated measure of lost sales and how it has been affected and caused by fill rate problems. They recently investigated a situation with a vendor who was concerned with carrying overstock of certain items and that the items wouldn’t sell. Because of those concerns they would short ship them or just not ship them at all. Now with 4R, Aubuchon has the ability to say

to them that quantifiably their short shipment cost them this many retail dollars, which lead to lost margin dollars. **In the end, this can help determine which items are worth chasing and what is worth letting go.**

Overall Jared says their experience with 4R has been nothing but positive, but when asked what really sets 4R apart from other retail software companies? “It’s the human interaction”, says Jared. “What set 4R heads and shoulders above other companies was the human intervention and the weekly call that we have set up. It let us know that we’re not just getting a product, we’re getting a service.” And in the end, you can’t have a conversation with a computer, but you can with a person. They’ve become part of our team.”

“Ultimately, the use of 4R can help to reduce excess over a period of time and allow you to be more reactionary to the current demand trends.”



Stephanie DeLuca
Associate Client Manager at 4R Systems

4R’s inventory as an investment approach is designed to maximize the profit opportunity of your number one asset: inventory!

Learn more at 4rsystems.com.

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