

## Growing profitability and performance.

### How Gardener's Supply Company is improving inventory and merchandising performance with Direct Tech.

#### Overview:

Gardener's Supply Company serves millions of gardeners nationwide, offering everything from seed starting supplies and garden furniture to flower supports and garden carts. Since its inception in 1983, the employees of Gardener's Supply have been passionately committed to providing innovative, garden-tested, earth-friendly products that help their customers have more fun and success in their gardens.

An employee-owned organization, Gardener's Supply Company has earned their customers' trust by providing high-quality products, expert information, and friendly, personalized service.

At Gardener's Supply Company, they understand the products they sell because they use them in their own gardens. Regular product training sessions and gardening certification programs help the organization to provide the best service and support in the business.

"As our business grew, inventory management, assortment planning systems and databases were home grown to accommodate expansion. Although our home-grown systems served us amazingly well for many years, the increasing complexity of a multi-channel business required more dynamic and expanded functionality. We chose Direct Tech's Forecast\*21 and Merchandise Assortment Planning System to help us continue to deliver superior customer service, while balancing the financial needs of the business." --Deb Delmage, Director of Merchandising.

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**--Deb Delmage, Director of Merchandising, Gardener's Supply Company**

## **Situation:**

When it came to the basics, Gardener's Supply Company had a sound inventory and assortment planning approach. At the same time, they depended on some outdated manual processes and on the "institutional memory" of long-term employees.

With their growing multi-channel environment, the complexity of the business had increased. Expanded international sourcing and an increase in "just in time" ordering by customers also challenged manual processes. As the business dynamics became more complex, Gardener's Supply Company needed a system that would create stronger links between Merchandising, Marketing, and Finance.

"We had limited means of projecting future inventory rebuys by evaluating performance from previous weeks. Overstocks in one season followed with backorders in the next." --Keith McLaughlin, Sr. Manager of Inventory Control.

Gardener's Supply had an expanded product assortment and increased emphasis on new product introductions and unique quarterly merchandised campaigns. To handle these changes, their merchandising managers needed more accessible and comprehensive metrics in order to make smarter assortment decisions. They needed to upgrade to a relational database for improved stability and connectivity with the Order Management System.

## **Solution:**

First, Direct Tech's Forecast\*21 was implemented with plans for the Merchandise Assortment Planning System on the horizon. Because they knew they were likely to see more immediate gains in inventory metrics, their implementation approach focused on one module: Forecast\*21. The implementation of the Merchandise Assortment Planning System followed within 18 months.

## Results:

In the two years following implementation of Direct Tech's Forecast\*21 and Merchandise Assortment Planning System, the business metrics at Gardener's Supply Company have significantly improved in inventory value, turns, fill rate and lost demand. The disciplined approach inherent with Forecast\*21 and the Merchandise Assortment Planning System helped Gardener's Supply Company create more efficient business processes.

***"We now access information, not just data."***

**--Janine Breton,  
Systems Administrator,  
Gardener's Supply  
Company**

"Standard Operating Practices were never really talked about before, but now help guide our business process." --Kay Burde, Senior Manager of Merchandising Operations

Overall communications improved through the Direct Tech AllChannel Suite. All modules are integrated which allows merchants and the inventory teams to look at the same data as they manage across a broad range of business metrics. Specifically, Forecast\*21 allows Gardener's Supply to manage forecasting for current and future offers when there was a demand variance; limiting future back-orders.

"Forecast\*21 allows us to manage both the upsides and downsides of our business more smartly and profitably. We have been able to chase and capture more demand on runaway new product introductions, while minimizing the overstock of under-performing programs. Forecast\*21 was a tremendous asset during the 2008 4th quarter market downturn. We were able to react quickly in a business climate that was changing rapidly." --Deb Delmage, Director of Merchandising

Merchandise Managers now use a wider array of Metrics for decision making. Reporting is consistently configured at multiple levels, allowing merchants to work with high level analysis or drill down into greater detail. Merchandise Contribution reporting has been a very beneficial tool for the merchandising team and also embraced by our creative team as a way to better understand what makes a profitable program.

"We now access information, not just data." --Janine Breton, Systems Administrator

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