

Selling with Style



U.S. Specialty Retailer Wilsons Leather Leverages JDA to Boost Efficiency and Customer Satisfaction at the Point of Sale

Wilson's Leather Fast Facts

Industry

Retail - Softlines

Headquarters

Minneapolis, Minnesota

Description

Wilson's Leather operates 120 retail stores located primarily in outlet malls in 36 United States. The company sells leather and non-leather apparel, outerwear and accessories for men, women and children. Wilson's Leather also operates an e-commerce site that extends the company's brand experience beyond its outlet store locations.



"The [JDA Point-of-Sale] application can be configured easily to do whatever our users need without any programming or customization of the application. As our company has grown and entered new business ventures, the JDA solution makes it very easy to accommodate those changes into the application."

- Scott Christian,
director of information technology,
Wilson's Leather

Business Challenge

During a period of extraordinary change, Wilson's Leather pursued a focused strategy designed to upgrade its critical retail IT infrastructure. The specialty retailer wanted a robust, easily customizable point-of-sale solution that would provide a centralized database and support more helpful reporting. The company's IT managers also hoped to streamline the critical merchandise return process and to make their point-of-sale systems compliant with retail industry credit card payment standards.

Business Solutions

- JDA® Point-of-Sale
- JDA® Portfolio Merchandise Management

Business Benefits

- Adoption of an accelerated merchandise return process with a newly centralized return function
- Simplified and improved execution of merchandise return policies
- Ability to easily change store processes
- A real-time centralized database that supports intra-day flash sales reports
- Full compliance with PCI credit card transaction standards

Wilsons Leather has a long history in American retail. The company traces its heritage to Berman's Leather, which was founded in 1899 as a respected Minneapolis-based fur and hide trading company. Wilsons Leather merged with Berman's Leather in 1988 to create the company in its current form.

Over the years, as the broader economy fluctuated and leather fashion trended up or down, Wilsons Leather expanded and retrenched to fit the times. Today, Wilsons Leather operates an e-commerce site and 120 retail stores, primarily in outlet centers in 36 United States. The company offers quality leather and non-leather branded and private-label outerwear and apparel for men and women, as well as handbags, business and travel items, accessories and a line of children's products.



Seeking Improvements at the Point of Sale

While addressing some of the most serious business challenges in its century-plus history, Wilsons Leather continued to focus on improving the speed and efficiency of its everyday retail transactions. As part of that ongoing effort, the company's IT managers realized the need to update and enhance its vital point-of-sale (POS) system.

The company's previous-generation POS system was installed in 2000 as part of an IT system overhaul. According to Scott Christian, director of information technology at Wilsons Leather, the company opted for a heavily customized POS application to meet specific store and business requirements.

By 2007, Wilsons Leather began to recognize serious shortcomings in its POS performance. The hardware was aging and the existing POS software required a long and expensive upgrade cycle. Since the system did not provide a centralized database of transactions, Wilsons Leather lacked visibility into store-level transactions.

Processing merchandise returns was also difficult and time-consuming. Using the company's legacy POS system, a hard copy return form was generated, completed and signed by the customer. The entire return transaction was then fed through the cash register. Such manually intensive

merchandise returns took five to 10 minutes to complete – a frustrating process that increased both labor costs and customer dissatisfaction.

Finally, the company's legacy POS system was not compliant with the Payment Card Industry Data Security Standard (PCI DSS) for processing credit card payments – a critical failing for any POS retail system. Given such limitations, Wilsons Leather made the decision to update and enhance its vital POS capabilities.

Gaining POS Visibility, Efficiency and Flexibility

Beginning in 2007, Wilsons Leather launched a multi-year effort to improve its retail IT infrastructure. The company planned to roll out new POS software in 2008. Due to capital restraints, it hoped to complete this process on a very tight budget.

In search of a more effective POS solution, Wilsons Leather evaluated solutions from a number of potential vendors that could centrally house granular store-level information on sales, returns and other activity throughout its 120-store network. It also wanted a more flexible, customizable solution that would reduce the time and cost of application development and configuration. Wilsons Leather expected the new system to be

easier to learn and use, reducing the need for retail staff training and decreasing the volume of calls for IT support.

Finally, Wilsons Leather sought a fully PCI-compliant system that would streamline credit card payment processing and reduce fraud-related losses.

Working With a Known and Trusted Partner

It was a tall order, but one the company had to fill if it hoped to improve at-the-register performance. Wilsons Leather ultimately selected long-time partner JDA Software for its proven POS application and expertise in retail. In fact, Wilsons Leather has successfully leveraged JDA's Portfolio Merchandise Management solution for more than 10 years.

According to Christian, JDA exceeded the retailer's business requirements for a new POS solution. JDA® Point-of-Sale delivered a centralized database with standalone redundancy. It offered a user interface that was easily configurable without custom coding. The solution was integrated smoothly with the company's existing merchandise management and loss prevention systems and also provided a fully PCI-compliant POS transaction system.

"We originally selected JDA based on the company's in-depth knowledge of retail," Christian said. "We felt that JDA understood retail issues far better than some of the competing vendors. In the years since using the JDA applications, we've been very happy with our selection."

After establishing a rollout plan and upgrading some existing hardware, Wilsons Leather successfully implemented the JDA Point-of-Sale solution in all 120 stores.

Flexible Solution Supports Sales Performance, Staff Training

According to Christian, JDA Point-of-Sale greatest attribute is its flexibility.

"The application can be configured easily to do whatever our users need without any programming or customization of the application," Christian noted. "As our company has grown and entered new business ventures, the JDA solution makes it very easy to accommodate those changes into the application."

JDA Point-of-Sale provides Wilsons Leather with a centralized, real-time and network-wide view of sales, returns and other store-level activities. The company's headquarters uses that centralized database to run intra-day flash reports on store sales performance. Wilsons Leather then posts those midday reports, giving store managers a benchmark to measure their sales performance and encourage competition among the stores.

The solution has also simplified staff training.



"We adapted the JDA Point-of-Sale application to fit the flow of our existing POS transactions," Christian added. "That reduced training time and problems at the cash register. In the first busy season following the solution deployment, we experienced far fewer IT calls than if we had been running our previous system."

Quicker Returns Drive Improved Customer Service

JDA Point-of-Sale has also helped Wilsons Leather reduce the time and complexity of processing merchandise returns. While the retailer's previous process took up to 10 minutes, the JDA solution can process a return in a fraction of that time.

An associate simply scans the receipt barcode and the system automatically displays the original transaction. The associate then selects the item being returned and the process is completed. Returns are handled quickly and easily, translating directly into lower labor costs, faster transactions and satisfied customers.

"Now, when customers bring merchandise back into a store for a return, it is a much simpler and easier transaction," Christian explained. "We like to think that leaves a more positive impression with customers and increases the likelihood that they will continue to shop at Wilsons Leather."

About JDA Software Group, Inc.

JDA® Software Group, Inc. (NASDAQ: JDAS), The Supply Chain Company®, is a leading global provider of innovative supply chain management, merchandising and pricing excellence solutions. 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.

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