# Big Lots - where speed equals savings

Achieved significant and quick improvement in inventory turnover

Provided access to advanced analytics, KPIs and reporting

Enabled processing of 50 million store/SKU transactions per evening

Developed lost sales analysis which has helped the retailer better plan for the next season

Aligned inventory investment to sales demand at very low levels of granularity—by store, by merchandise, by product

## Challenge

Big Lots needed a better way to allocate inventory specific to each of its 1,460 retail locations to further accelerate inventory turns, align inventory levels to sales demand while matching local preferences, and managing thousands of active SKUs across a broad portfolio.

## Logility Digital Supply Chain Platform

Big Lots implemented Logility and now has access to granular level data from each store to arm its allocation analysts and management team with information to make the most strategic and profitable buys and align inventory levels with sales demand.

**Facts**
Industry
Retail

Headquarters
Columbus, OH

Sales
$5.3 billion

Profile
Big Lots is a unique, non-traditional, discount retailer operating approximately 1,460 stores in 48 states with product assortments in the merchandise categories of Food, Consumables, Furniture & Home Décor, Seasonal, Soft Home, Hard Home, and Electronics & Accessories.

*"Logility Allocation embeds complex logic in a simple-to-use solution. We have seen improvement in planning and our ability to adjust to our customers' behaviors. This helps us stay ahead and strategically plan our allocation needs."*

Lisa Bachmann, Executive Vice President and Chief Operating Officer  - Big Lots

Founded in 1967, Big Lots is a unique, non-traditional, discount retailer operating more than 1,400 stores in 48 states. With product assortments in the merchandise categories of Food, Consumables, Furniture & Home Décor, Seasonal, Soft Home, Hard Home, and Electronics & Accessories, Big Lots has a merchandise offering and sourcing channels that differentiate it from other retailers.

## It's Not Business as Usual at Big Lots

Big Lots' strategy is aligned on serving its core customers. With a mission of "surprises in every aisle, every day," Big Lots refined product assortments, in specific merchandise categories, based on customer feedback. Long known for being a discount retailer specializing in Closeouts—or excess inventory from major manufacturers—Big Lots expanded assortments of replenishable product, or Neverouts, to improve assortment consistency for customers. The merchandising process at Big Lots—which includes buying, planning, allocating and in-store execution—is complex as one-time product assortments with inconsistent flows are combined with Neverout merchandise that continuously flows to stores.

## Complexity Meets Simplicity

Today, Big Lots runs a complex, high volume supply chain that processes thousands of store/SKU transactions per day. The company needed the ability to act, react and adapt based on actual customer demand and consumer buying trends. Merchandise at the right location and the right time improves inventory positions to best serve customers and increase customer satisfaction and sell-through.

Advanced Allocation improves Big Lots' performance by tightly aligning and balancing store sales volume and inventory levels. With Logility Allocation™, Big Lots is able to quickly and accurately plan and allocate at the subclass level, or lower.

"Logility Allocation uses complex logic in a simple-to-use solution. We have seen improvement in planning and our ability to adjust to customers' behaviors. This helps us stay ahead and strategically plan our allocation needs," says Lisa Bachmann, executive vice president and chief operating officer of Big Lots.

**Logility Allocation™** allows Big Lots to integrate allocation and fashion replenishment options to dynamically react, adapt, and take action based on customer demand and sales trends.

### Logility enables you to:

- Boost forecast accuracy
- Improve sales and operations planning
- Ensure in-store product availability
- Increase inventory turns
- Successfully plan and manage promotions
- Set time-phased inventory targets
- Easily collaborate with suppliers
- Improve sourcing and production of private-labeled products
- Reduce out-of-stocks

Since implementing Logility Allocation, Big Lots has realized several benefits including improved inventory turnover along with deeper insights and understanding of customer behavior. Big Lots has access to advanced analytics, KPIs and reporting which has led to developments such as lost sales analysis, helping the retailer better plan for the next season.

The advanced capabilities within Logility Allocation allow Big Lots to focus on opportunities to profitably grow the business and deliver the right product to the right place at the right time.

## Know Your Customers

For retailers, selecting the right location can make or break a business. Big Lots sees store location as an opportunity to make strategic buys that will provide inventory specific to each market. With the increased sales data available to the team, the company is able to determine buying patterns as well as preferences for each store location and feed this information back through the supply chain. This unique capability allows Big Lots' allocation analysts to place inventory in markets where it will best sell.

## About Logility

Accelerating the sustainable digital supply chain, Logility helps companies seize new opportunities, sense and respond to changing market dynamics and more profitably manage their complex global businesses. The Logility® Digital Supply Chain Platform leverages an innovative blend of artificial intelligence [AI] and advanced analytics to automate planning, accelerate cycle times, increase precision, improve operating performance, break down business silos and deliver greater visibility. Logility is a wholly owned subsidiary of American Software, Inc. [NASDAQ: AMSWA].

To learn how Logility can help you make smarter decisions faster, visit www.logility.com.