

CASE STUDY: B.J. ALAN (PHANTOM FIREWORKS)

HOW SCAN BASED TRADING HELPED B.J. ALAN SPARKLE



Headquartered in Youngstown, Ohio, B.J. Alan is one of the nation's largest importer, retailer and wholesaler of consumer fireworks. The company operates 1200 year round and temporary retail outlets in over 20 states under the Phantom® Fireworks banner, and also supplies fireworks to several national retailers.

B.J. Alan promotes the manufacture and sale of safe fireworks. Not only do its products meet or exceed all Consumer Product Safety Commission requirements, but they also undergo extensive in-house testing. B.J. Alan stands for integrity, quality products, and hard work – all of which results in satisfied customers.

This is a story about how Phantom Fireworks used Prescient's advanced commerce solutions to keep its profits from going up in smoke.



CLIENT:

"Prescient's SBT applications give us visibility into which products are moving at each store on a daily basis. This is critical in determining what to ship to retailers. Getting the orders right makes us a more valuable partner, and helps us keep costs down by minimizing returns."

-Mike Koocher, Director IT
Phantom Fireworks

To find out more about Prescient's supply chain and advanced commerce solutions, call us at 610-350-6404 or visit us on the web at www.prescient.com.

CHALLENGE: VISIBILITY AN ABSOLUTE DUD

Fireworks are not the typical consumer goods product. First, they have two selling seasons - the fourth of July and New Year's; by far the largest share being sold for the fourth. The company's year round efforts are focused on getting as much product as possible in place for this very short selling period. In addition, regulations governing the sale and use of fireworks vary from state to state, county to county and sometimes even at the local level. These challenges translate to the supply chain, especially around transportation.

Because of Department of Transportation regulations, fireworks have to be transported in specially approved D.O.T. packaging. B.J. Alan provides some of its own transportation and much of the time, the trucks have to be specially marked and the cardboard boxes that hold the fireworks have to have been specially made. Any product that doesn't sell at retail has to be returned in the special packaging, which B.J. Alan provides, making overstocks and returns especially costly.

SOLUTION: MORE BANG FOR THE BUCK WITH PRESCIENT

When B.J. Alan was asked by one of its major retail partners to participate in a scan based trading (SBT) program – a commerce model where suppliers own product until it sells at the register – the company was less than enthusiastic. But B.J. Alan got an unexpected benefit – the company had visibility into information it never had before – such as product movement and sales.

Before SBT, B.J. Alan would restock its retailers based on what they "thought" was happening at store level. Thanks to the visibility provided by Prescient's SBT application, B.J. Alan now restocks based purely on what was sold. No more costly shipping bills to send – and then return – unused fireworks.

Because of the value it was getting from SBT, B.J. Alan wanted to expand the program to another retail partner. The additional retailer was not a member of Prescient's community of subscribers. Prescient's SBT Simulation provided the perfect solution. It enables the retailer to transmit B.J. Alan's point of sale data directly to Prescient. With that, B.J. Alan is able to utilize the strength of the Prescient SBT application to conduct business as it does in its standard SBT relationships.

B.J. Alan took things one step further by implementing Prescient's Visibility & Analytics (V&A) solution for both shrink and sales. V&A makes access to, and analysis of, the data contained in the SBT application much easier. It has reduced B.J. Alan's manpower required for reporting by 75%, and provides company executives with the types of reports they're seeking.

RESULTS: SAVINGS SKYROCKET

The Prescient suite of solutions has helped B.J. Alan to become a more efficient supplier. Returns have been significantly reduced because the company now only restocks based on consumer demand. But the savings don't end there.

All consumer fireworks require special shipping, a very costly part of the fireworks program. B.J. Alan was very focused on reducing the amount of product that was being returned to minimize this costly shipping expense. Their existing software did not provide them with key data that would show them how product was moving on a store by store basis. According to Mike Koocher, "Our display packaging may be award winning, and I'm told they contribute greatly to increased sales, but from an IT point of view they simply added a level of confusion to the sales analysis process. Had we not found Prescient and their V&A suite, we were very likely facing a costly modification of both our order/entry and sales analysis back office programs."

