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**Real-Time Data Access Enables Inventory Control**

**A multichannel retailer cut its yearly software fees in half after replacing its legacy system with a fully integrated suite of store applications.**

*Integrated Solutions for Retailers, May 2006*

*Written by [Laura Pasquerot](#)*

Tilley Endurables, Inc. sells Tilley hats and travel clothing directly to customers worldwide through four retail locations in Canada, mail order catalogs, Internet sales, and retail partners/wholesale networks in 18 countries. Four years ago, the legacy software company that had provided Tilley Endurables' retail solution for 10 years announced an upgrade to its CRM (customer relationship management) module, which was very expensive. Tilley Endurables' CFO and Director of U.S. Operations, Thurstan Berkeley, realized this upgrade was the precursor to similar upgrades for several modules in the system and recognized that the company simply could not afford to undergo these required upgrades. Additionally, Tilley Endurables' business model had changed since the legacy system implementation (the wholesale portion of its business had grown significantly during those 10 years), so Berkeley reevaluated the IT needs of the business.

"Obtaining timely information from our legacy system was cumbersome, and report generation was slow," says Berkeley. "We encountered out-of-stock situations because it was difficult to obtain an accurate picture of our inventory across North America. We wanted an affordable, fully integrated system with real-time information that better suited our business needs." As a result, Berkeley established an RFP for its Canadian and U.S. operations only; he received 12 responses, 2 of which were indeed fully integrated systems. Of the two, Tilley Endurables chose to deploy the Magstar TOTAL RETAIL enterprise management system, which includes systems for POS, merchandising (for inventory and warehouse management), and order entry (for mail order and wholesale). It also includes CRM, accounting and general ledger modules.

"The software, including modifications ordered up to the date of deployment, were less than \$300,000 (Canadian), which was less expensive than the cost to upgrade just the CRM module of our legacy system," says Berkeley. "Since the original implementation two years ago, we've undergone another \$100,000 worth of modifications. Magstar has been very responsive to our requests and modifications, so having a one-stop service provider has worked well for us."

**Timely Reporting Leads To Reduced Inventory Levels**

"With the speed at which we can produce reports now, we are able to react more quickly to opportunities that arise in all of the different channels of business," says Berkeley. "Our out-of-stock situations have been greatly reduced, and we are able to manage our inventory mix better. As a result, we've reduced our overall inventory levels, meaning lower interest charges to finance that inventory. Additionally, we've cut our yearly software maintenance costs in half with this solution." Tilley Endurables' inventory is its largest asset, in dollar terms, and this implementation has enabled greater control over this asset.

Tilley Endurables now knows where its entire inventory is at all times. Because Tilley Endurables maintains inventory in both Canada and the United States, management wanted to see inventory on one report for the whole enterprise, not just for one country. Magstar TOTAL RETAIL was able to accommodate this by treating both Canadian and U.S. operations as one enterprise, deemed North America for inventory purposes. However, it can produce financial statements for two separate entities, which allows for the differences in currency.

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