



## **SPORTING GOOD RETAILERS eBook**

### ***On Your Mark, Get Set, Go!***

### ***Order Management Best Practices***

### ***for Sporting Goods Retailers***

*Technology levels the playing field to allow small to medium-sized sporting goods retailers compete with larger ones. Whether shoppers order online, by phone or in person; whether they are outfitting themselves or an entire team, retailers need to be able to respond to customer orders without missing a beat by implementing best practices to manage an increasing volume of orders.*

## Order Management Best Practices for Sporting Goods Retailers

### Executive Summary

According to research from Hoovers, the U.S. retail sporting goods industry includes close to 20,000 companies with combined annual revenue of about \$38 billion. The 50 largest companies account for more than 55% of revenue and only about 140 companies have more than five stores.<sup>1</sup>



Today, the good news is that sporting goods retailers are starting to see a rebound in spending as more people are participating in sports at all ages for personal enjoyment and the desire to improve their overall health. IBIS World Market Research commented that “Over the five years to 2019, industry revenue is forecast to grow, as growth in sports participation propels demand for athletic apparel, equipment and footwear. While individuals will be time strapped, making it difficult

for consumers to incorporate fitness and sporting activities into their daily regimen, rising health consciousness will still spur demand for sporting goods.”<sup>2</sup>

Freestyle Solutions has worked with sporting goods retailers and fulfillment operations for more than 25 years to help integrate their processes to simplify commerce and grow their business. Its customers collectively generate more than \$200 million in sales each month, learning from them what has been most effective in helping them grow. It’s that experience which has enabled Freestyle Solutions to assemble this paper entitled “On Your Mark, Get Set, Go! Best Practices in Sporting Goods Retailing.”

This paper addresses the benefits of finding and implementing the best order management platform for sporting goods retail operation to provide the right products and services along with the best shopping experience for customers. If sporting goods retailers are looking to reduce costs, address customer demands, stay on top of hot industry trends and increase efficiency and productivity, this information is right on target for the business.

### On Your Mark...

Small sporting goods stores have traditionally been supplied by regional wholesalers to meet their specialized market needs. These local sporting goods retailers have enjoyed a strong and loyal fan base within their community. Buying patterns were largely influenced by popular sports in the area, population demographics and disposable income. Today, this is no longer the case. Local sporting goods retailers are expanding their business reach through online channels in the face of stiff competition from the large multi-channel chains that often can stock a wider variety of items to meet the needs of a broader base of customers.



<sup>1</sup> <http://www.hoovers.com/industry/sporting-goods-stores/1551-1-0-1nig0x.html>

<sup>2</sup> <http://www.ibisworld.com/industry/default.aspx?indid=1079> : Sporting Goods Stores in the US: Market Research Report

Local sporting goods retailers need to think creatively to find ways of setting themselves apart to successfully compete. There are a wide variety of options for making a business stand out. This includes hiring more experienced and engaged staff, offering custom after sales and repair services, specializing in a sport or activity and offering a deeper product line within the sport along with being the premier supplier for local team merchandise for community, school and national sports franchises.

In the sporting goods market, retailers see buying patterns influenced by several key factors. These include population demographics, disposable income levels and the popular sport(s) in the area. Knowing the target market and being aware of the local sports mindset will ensure that sporting goods retailers carry the right mix of equipment and the right colors, models and sizes for the demand. This level of detailed customer information will help to optimize inventory levels and to run targeted campaigns and promotions that increase visibility along with the customers' desire to do business with the retailer.



Sporting goods retailing and team outfitting require robust and flexible order management and eCommerce solutions to keep merchants on top of the game. Integrating the entire operation to include point of sale, order entry, inventory management, receiving, shipping, tracking, reporting, customer relationship management, accounting and more will enable them to stay ahead of customer demands while providing a level of customer service that builds loyalty and repeat business.

Merchandising, especially inventory management and sourcing along with marketing savvy, are the keys to success as large multi-channel chains and small local stores and suppliers compete for business. Regardless of size, sporting goods retailers that can streamline their operations, attract new and repeat customers, provide sought after brands and offer specialized and extra services such as seminars or advice from experts, supply one-of-a-kind items including uniforms and custom equipment, and a chance to test out equipment (such as an onsite putting green or batting cage) will have a competitive advantage in winning and retaining customers.

## **Gain Visibility into Target Market & Customer Preferences**

The ability to analyze and act on consumer preferences and sales trends are imperative to success in the sports retail industry. To attract shoppers, sporting goods retailers need to be visible and active in a variety of channels. Retailers are harnessing the power of the Internet to open and expand new business channels to give them an edge over their competition. A high level of coordination, integration and information management is needed to operate successfully in a multi-channel environment. The goal is to offer shoppers a seamless experience across all retail platforms that encourages them to return again and again to fill their sporting goods equipment needs.



Retailers need to collect and analyze data from all sources to keep up-to-date on shopper preferences, market and industry sales trends and the ongoing changes in sporting equipment to stay in the game. Being able to

identify buying patterns that are often influenced by season, staying on top of today's popular sports trends and offering the right products will help them win business. As sports seasons change, the inventory mix needs to change as well.



Utilizing an integrated order management system can help streamline order processing for soft goods and custom orders for teams or individuals. Production management tools help prevent bottlenecks in production and order processing while integrated receiving functions – to check order status and notify customers when their orders have been shipped or are ready for pickup – help to take the guesswork out of inventory planning and order fulfillment.

Having an accurate picture of what is in stock, what has already been sold or what items may be en route or backordered requires the ability to integrate inventory from multiple suppliers and locations across all channels to confidently know what is in stock and ready to be shipped. Getting and keeping a handle on inventory, including granular lead times, tracking by item, vendor or purchase order and knowing the hot trends and items, managing styles, colors, sizes and custom imprint needs is a big part of successful sporting goods retail management.

An order management system must be able to access orders from all channels, integrate with shipping systems and track purchase orders and inventory levels in real time. Simplifying the management of items produced on demand, such as custom and personalized uniforms, drop shipped or outsourced across all lines of business and all channels, assures accurate inventory and sales data for each channel so that customers don't lose out. Having up-to-the minute inventory information along with the ability to cross sell and offer a substitute product if something is not available is another important benefit of an integrated order management system.



#### **Keys to Sporting Goods Inventory Management**

- Inventory movement
- Matrix inventory management
- Purchasing
- Multi-channel order management
- EDI
- Shipping & tracking

These solutions need to allow for flexibility and scalability to meet the diverse needs that retailers face. It is not enough for the system to automate order entry and processing from a variety of sales channels. A truly full-function solution needs to seamlessly integrate a multitude of business processes including shopping cart integration, selling tools, Payment Card Industry (PCI) compliance, gift card redemption, CRM, fraud protection,

inventory management across business channels, payment integration and order fulfillment and logistics. All of these processes need to work together to simplify day-to-day operations, leaving more time to connect with customers and stay on top of the game.

A well-balanced inventory assortment is vital in sporting goods retailing. In addition to physical inventory items, sporting goods purchases are often made up of items for which no physical inventory exists such as custom embroidering or screen printing required for team sports outfitting. Team outfitting can require large-scale personalization and systems need to be able to efficiently handle this demand. Effectively managing styles, colors and sizes along with custom work needed for embroidering and imprinting requires a system that is both rich in features and well integrated with the point of sale, order entry, receiving, warehousing, analytics, CRM, reporting and accounting systems to give merchants the most traction.

An integrated inventory and order management system enables sporting goods retailers to monitor the flow of items to better control response time, manage inventory allocation and create a quick and seamless process for order fulfillment so they have the right products, at the right time, ready to ship to meet customer demands and expectations. Ordering a multi-piece uniform that is missing one of its pieces can cost the merchant not only a sale, but quite possibly a customer. Inaccurate inventory data, poor distribution coordination and inefficient warehousing negatively impact the retailer's ability to compete in a multichannel environment. Quickly and confidently knowing the status and location of inventory and the best shipping method to get it into their customers' hands enhances the quality and efficiency of the business operation.

## Get Set...

In today's fast-paced, multichannel environment, putting technology to work to capture, integrate and utilize data across the entire operation to understand and respond to consumer demands offers retailers a definite advantage. Effective back-office order and inventory management, combined with warehousing, payment processing, customer relationship management (CRM) and logistics help sporting goods retailers utilize technology to pump up their business. An order management system should provide a feature-rich platform that will help streamline order entry and tracking, enable the retailer to gain control of inventory management, capture important customer data and buying preferences and make it easy to consistently provide high levels of customer service to help them compete.

An order management system simplifies the process of collecting, managing and linking information about customers. It should not only process orders, but also enable retailers to generate target lists and develop campaigns and offers to select classes of customers, for example, those who have not ordered in the past six months, or those who have ordered one product but none of the complementary products offered. Once the retailer has met expectations and delivered as promised, shoppers will be more likely to come back to them for future orders. By capturing information on customers' buying behaviors and integrating this with transaction history data they will be able to create targeted promotions that encourage repeat business.



Utilizing data gathered will enable them to create and maintain personal relationships with their customers and communicate relevant promotions at times when they are most likely to buy. Retailers can capitalize on this only if they have captured that information in their system. They don't need multiple specialized systems for each aspect of their business – that can lead to integration and maintenance nightmares.

## Go!

Today's environment enables even the smallest sporting goods retailer or supplier to reach a market of millions. They need to ask themselves if they are taking advantage of all available channels to expand sales and market presence to grow the business. Best practice sporting goods order management should include:

- Seamless integration of business operations across multiple channels.
- Selling the entire inventory or just a small sample through an Amazon storefront and other online channels.
- Publishing product information and synchronizing inventory across multiple channels.
- Collecting and analyzing order data to identify consumer preferences and trends.



Utilizing the latest technologies impacts the sporting goods retailer's ability to effectively price and optimize margins on all products, drive greater customer loyalty through targeted marketing programs, speed check-out, quickly handle customer inquiries and automate and streamline the ordering and delivery process – all factors that will have a positive effect on business operations. This will enable the retailer to quickly expand its business onto the web with turnkey solutions for eCommerce and online customer account management. Retailer should look for a powerful eCommerce and multi-channel order and customer management solution that integrates online, offline, mobile, fax, mail order, telephone orders or catalog channels to never miss a customer.

## Finding the Best Solution to Fit the Business Issues

Putting technology to work to capture, integrate and utilize data across the entire operation to understand and respond to consumer demands can give small to medium-size multichannel merchants a definite advantage. Immediate access to data across the entire operation helps retailers streamline business operations, take control of the business and gain the competitive edge they need.

Freestyle Solutions allow customers to manage the critical aspects of their business - including essential integrations with carriers, payment card processing and accounting systems - so retailers can be sure that inventory is always accurate, orders ship smoothly and their customer service team can respond with confidence and focus on meeting their customers' needs.

**Freestyle Commerce** is built upon a foundation of experience, know-how and usability allowing you to accelerate growth, process and fulfill orders, manage inventory and access customer information over the Internet. No more hassles of having to buy and maintain your own servers, pay for software licenses and track upgrades.

**Freestyle's** dashboards give you at-a-glance business information to report on trends and spot areas needing attention so you can capitalize on growth opportunities.

Freestyle Solutions provides small to medium-sized (SMB) retail businesses worldwide with a choice in order management solutions, in the cloud or on premise, to meet their business needs. Over 2,000 merchants rely on Freestyle Solutions to automate their back office operations and drive business growth.

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## About Freestyle Solutions

Freestyle Solutions, formerly Dydacomp, is changing the way that the industry thinks about order and inventory management. Freestyle Solutions is dedicated to providing growing multichannel retailers, etailers, catalogers, fulfillment and distribution firms with best-in-class inventory, order, and customer management software solutions that help them increase sales and grow their business.

Freestyle Solutions integrate easily with eCommerce platforms to drive efficiency, productivity, insight and growth. Freestyle Solutions' proven on premise & cloud-based solutions enable small to medium sized retail & fulfillment businesses to grow faster by expanding their eCommerce presence & automating back office operations to manage critical aspects of their business: multichannel order management; inventory visibility & control across multiple channels; drop ship management; rapid, reliable order fulfillment; customer management; integration with Magento, Amazon, eBay & more.

The Freestyle Commerce cloud-based solution is tightly integrated with third-party eCommerce software Magento and Amazon, providing users with the smartest order management dashboards for the always up-to-date business insight they need to grow sales.

Over 2,000 multichannel merchants rely on Freestyle Solutions to automate their back office operations and drive business growth. Freestyle's clients engage over a million shoppers daily, generating nearly 10 million in gross merchandise sales every day. For more information, visit [www.freestylesolutions.com](http://www.freestylesolutions.com) and follow us on Twitter @freestylesolutions.