



KIRKLAND'S: USING BIG DATA TO UNCOVER OPERATIONAL INEFFICIENCIES

Kirkland's Harnesses the Power of Big Data to Improve Operations and Reduce Loss

They were in an advantageous spot as their internal IT Department was in agreement, but now the Kirkland's Loss Prevention team had to tackle convincing the C-Level that there was an immediate ROI in an exception-based reporting tool; even when inventory shrink was rarely a problem in their stores. Instead of only focusing on isolating loss prevention-related exceptions, they also looked at the impact data analytics could have on discovering operational inefficiencies. That's when they saw the full value and the Loss Prevention team at Kirkland's set out to deliver a powerful data analytics platform that served multiple departments: Agilence.

About Kirkland's

Kirkland's, Inc. was founded in 1966 and is a specialty retailer of home décor in the United States. The Company's stores present a broad selection of distinctive merchandise, including framed art, mirrors, candles, lamps, picture frames, accent rugs, garden accessories and artificial floral products. The Company's stores also offer an extensive assortment of gifts, as well as seasonal merchandise.

Quick Facts



Kirkland's saw a complete ROI on their investment in Agilence in their 1st year as a customer.



Users can identify and rectify problems more quickly than ever before.



Sales audits that took each store manager off of the floor for 15-20 min. each night can now be completed by one person with the help of Agilence.

Challenges

Byron Coleman, Director of Loss Prevention at Kirkland's, was new to the company and tasked with taking the Tennessee-based retailer's loss prevention efforts to the next level but to accomplish this quickly, he knew they required an evolved reporting tool. "We were still using manual processes to identify loss and track how much time was burnt on non-selling activities. Everything felt like it was handled at the store-level and I knew a "big data" solution could help everyone at corporate see the full picture," said Coleman.

With his goal in mind, Coleman decided to lay the groundwork for this analytics investment by first consulting his counterparts in the IT Department. "IT was a real ally to us. They understood the true value of big data plus it was an easy sell once they learned that Agilence just consumed the raw TLOG data without any additional work on their end," remarked Coleman.

The last – but largest – hurdle was getting buy-in at the C-Level and to do that Coleman and team would need a creative approach to their ROI analysis. "We've always been ahead of the curve when it comes to stopping inventory shrink so I knew the best way to show ROI was focusing on processes that were masking loss or reducing selling time," said Coleman. With that approach, Coleman reviewed inventive ways to measure the ROI and it started with their nightly audit processes.

Solution

Each night a manager at one of Kirkland's 400+ stores was spending 15-20 minutes on sales audit, a function that isn't always their core competency. By factoring in the time spent by the managers plus the unnecessary costs of printing nightly reports, Byron Coleman was able to show that the cost of Agilence would pay for itself in approximately a year – just based on improving the sales audit process alone. Now the job of 400+ people could be handled by one person in the home office and the 15-20 minutes of administrative work in the stores could be reallocated to selling activities.

Coleman's math was right as once Agilence was implemented many more sales operational efficiencies came to light. "Once we proved that analytics could have a positive effect on controllable store expenses, management saw that this was an investment in increased profitability," said Coleman. With Agilence's advanced reporting, it was now easy to take on large scale projects to find the pieces of the business that needed fine tuning. Verifying if POS settings across their chain were out of sync with corporate policy or drilling down to the individual employees who were making mistakes at the register, were two large initiatives now made possible thanks to their new comprehensive data analytics platform.

Results

"The real eye opener since making the move to 'big data' is the amount of waste we are able to identify and eliminate," commented Coleman. By digging into their transactional data, Kirkland's is increasing the amount of available selling time per store. Store management can now focus more time on operational issues instead of having to reconcile back office reports. Additionally, because corporate is able to manage the nightly sales audit there is now a clean historical archive that doesn't require additional formatting or IT involvement.

"We're able to get to the problems faster – plain and simple. We're just more effective as a management organization because we don't have to second-guess what the numbers are telling us," said Coleman.

As Coleman continues championing the Agilence's data analytics platform across the organization, he's also sharing his feedback with Agilence. "We've been with Agilence for a long time. I've seen many great improvements made and some of those updates I know that I directly influenced," said Coleman.

"It's nice to know that we have a technology partner that is listening to us and wants to improve their product, so we can continue improving our business."

**- Byron Coleman
Director of Loss Prevention,
Kirkland's**