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Game On



Hibbett Sports Leverages JDA Solutions and Services to Increase Sales and Support its Localized Market Strategy

Hibbett Sports, Inc. Fast Facts

Industry
Retail-Hardlines

Headquarters
Birmingham, Alabama

Description
Hibbett Sports sells sports equipment, athletic apparel and footwear in 767 stores located in more than 20 United States, mainly in the Southeast.



Business Challenge

Hibbett Sports needed to create product assortments that were customized according to each store’s individual inventory needs. Originally, the company developed product plans at the class level, but realized it needed the help of advanced merchandising solutions to generate plans at the attribute and vendor level, as well as support Hibbett’s overall growth strategy.

Business Solutions

- JDA® Advanced Store Replenishment
- JDA® Allocation
- JDA® Assortment Planning
- JDA® Channel Clustering
- JDA® Enterprise Planning
- JDA® Merchandise Management System
- JDA® Performance Analysis
- JDA® Size Scaling

** Hibbett Sports leveraged the support and expertise offered by JDA Services to undergo several solution implementations and upgrades.*

Business Benefits

- Optimized assortments for each store cluster
- Improved planning processes that are integrated into the company’s financial plans
- Enhanced buyer productivity
- Gained the ability to ensure that the right products and right quantities are allocated to the correct store
- Improved investment of inventory dollars
- Achieved strong financial gains and enhanced customer service

“With JDA, we can better invest our inventory dollars by honing in on certain attributes and finding more localized assortments that meet consumer demand. These new capabilities have attributed to the company’s strong financial gains and improved customer focus over the last few quarters.”

- Mike McAbee, vice president of merchandise planning and replenishment, Hibbett Sports, Inc.



In retail, one commandment reigns supreme: know your customer. The merchants at Hibbett Sports, Inc. live by that commandment every day, taking great pride in knowing the apparel-, shoe- and ball-size requirements of nearly every school and sports league within a one- to five-mile radius of its 767 stores across 24 states.

This singular focus on delivering a localized customer experience has helped Hibbett Sports achieve significant growth over the years. The company's strong financial performance for its 2010 fiscal year, which featured a 5.2 percent increase in sales over the previous year, has prompted the company to project continued strong results at a time when other retailers continue to feel the impact of a slowed economy. According to Mike McAbee, Hibbett Sports' vice president of

merchandise planning and replenishment, the retailer's use of advanced merchandising solutions from JDA Software has helped position the company for this success.

"From our senior management team to our store managers, we've all got one direction and one vision in terms of a localized market strategy. We all understand that without JDA, we can't maximize that strategy," said McAbee. "We've expanded our business even during the economic downturn. A lot of that has to do with our investment in JDA systems supporting smarter inventory decisions. We're better positioned today because JDA enables us to deliver optimized assortments to each store cluster that are in sync with our financial plans, space constraints and preferred attributes by location."

Needing Assortments Based on Individual Store Demand

When McAbee joined Hibbett Sports in 2002, he was charged with developing a planning organization for the chain that consisted of about 350 stores at the time. Since each store is about 5,000 square feet, the retailer can carry a limited amount of inventory. McAbee's team needed to assist the merchants in the creation of product assortments that were customized according to each market's individual inventory needs. Each market requires a product mix that satisfies customers who are shopping for sports paraphernalia representing teams at both a local and national level.

Originally, the Hibbett team relied on spreadsheets to generate product plans at the class level; however, Hibbett Sports' merchants quickly found that they needed to develop plans at the attribute and vendor level in order to support the retailer's localized focus and growth plans. Simultaneously, the company realized it had also outgrown its legacy merchandise management system.

"We took a long, hard look at where we needed to be as a company in the next five to 10 years and the software vendors that could support our corporate goals," explained McAbee. "JDA came out ahead of the competition because it offers a better, more complete suite of tools and an extensive customer base, which was a main driver as we wanted to leverage all of that collective knowledge and experience."

JDA Services Leads Multi-Phased Rollout

Over the last five years, Hibbett Sports has licensed and implemented several JDA applications. To start, it deployed JDA® Merchandise Management System, JDA® Allocation and JDA® Performance Analysis, followed by JDA® Advanced Store Replenishment. In 2008, Hibbett Sports selected JDA® Enterprise Planning to establish and integrate company-wide planning processes – including strategic, merchandise and key-item plans – at lower levels of detail. The retailer



leveraged JDA Enterprise Planning to develop these plans by attribute for all key performance indicators, as well as integrate them with the company's financial plans.

Initially, Hibbett Sports contracted with a third-party consultant to lead the JDA Enterprise Planning implementation. Having faced delays and performance issues related to the installation, Hibbett Sports turned to JDA Services when a new version of the solution became available later that year.

"Based on some wins that we had with JDA Services, in particular with the JDA Advanced Store Replenishment rollout, we decided that JDA consultants were best suited to helping us upgrade and reinstall JDA Enterprise Planning," said McAbee.

In-Depth Expertise Wins Over a Tough Crowd

Following the successful upgrade and redesign of JDA Enterprise Planning, JDA Services began working with Hibbett Sports to deploy JDA® Assortment Planning and JDA® Channel Clustering, followed by JDA® Size Scaling in March 2010. At the start of each implementation

phase, the retailer's planners met with JDA Strategic Services consultants to discuss business diagnostics. During this stage, the Hibbett Sports team gained a clear understanding of how the JDA applications would improve the company's planning processes.

"Our planners can be a tough crowd to please. They are very good at what they do, having about 15 years' worth of experience on average," McAbee said. "The JDA Services team won us over by quickly establishing their credibility with their knowledge of the JDA products and how they work together in our environment. I particularly liked that JDA brought in experts for each new application, which enabled us to make everything work much better together faster."

Achieving an On-Time, On-Budget Implementation

A critical success factor for JDA Services was staying within Hibbett's resources and timeline limitations for each implementation. McAbee credits good project management and strong communication between the retailer's planning team and the JDA consultants for the on-time and on-budget

installations of JDA's Enterprise Planning, Assortment Planning, Channel Clustering and Size Scaling solutions.

"Whenever we had issues that could have diverted us, the JDA and Hibbett Sports teams discussed them early, which made it a lot easier to maneuver around the issues and control costs," McAbee said.

McAbee also liked how JDA consultants took ownership of the project.

"Rather than giving the team a bunch of test scripts and telling us to 'call if anything fails,' JDA Services consultants sat right next to the Hibbett Sports team and watched them physically test the systems. Because of this arrangement, we achieved quicker and better results. JDA consultants could see if a problem was surfacing and would articulate any issues back to JDA developers or the JDA Support team for fast resolution," he said.

"Aha!" Moments Lead to Big Wins

Asked if any particular implementation milestones stand out as key to the overall project's success, McAbee noted, "Our first big 'aha' moment was when JDA Services helped us improve the way we used the Enterprise Planning application. We completed the upgrade, made it live and

were thrilled that the software was actually working the way that we had originally hoped. That was a big win for us.”

Another key milestone was with the JDA Assortment Planning implementation. Although several years had passed since the retailer first licensed the software, JDA had invited Hibbett to join a steering committee consisting of other JDA users from various retail segments and global regions. This committee helped drive the functional design of the Assortment Planning software before it was generally available. In this role, Hibbett participated in conference calls with JDA product management every few weeks on product specifications, ensuring that the solution would continue to meet Hibbett Sports’ future needs.

To help spread acceptance among Hibbett’s users, McAbee was selective in picking the buyers and planners who became early adopters of the new JDA solutions.

“We identified an experienced buyer who was excited to use the software,” McAbee explained. “As this buyer started to see improvements when he went to market with his assortments, he became a flag carrier for JDA and raved about how the new software was improving his planning processes. When we rolled out Assortment Planning to other areas of the business, we had a long list of people who were eager to use the solution.”

Teaming with JDA for the Long Haul

Now that this latest round of JDA merchandising solutions is live, Hibbett Sports is realizing improved operational performance and efficiency. Buyers no longer have to rely on preconceived notions of what products they thought they needed based on historic decisions. By integrating JDA Size Scaling with the other JDA solutions, Hibbett Sports’ hopes that the allocation team will be able to ensure that the right sizes and right quantities are allocated to the correct store.

This singular focus on delivering a localized customer experience has helped Hibbett Sports achieve significant growth over the years and ensure that each store’s inventory is positioned to meet the needs of its individual customer base.

“With JDA, we can better invest our inventory dollars by honing in on certain attributes and finding more localized assortments that meet consumer demand. These new capabilities have attributed to the company’s strong financial gains and improved customer focus over the last few quarters,” McAbee noted. “We never came into our relationship with JDA to buy one product. We may look at other vendors to see what’s out there, but we always come back to JDA. It’s been an easy partnership. JDA understands how we work and knows our hot buttons. We want this relationship to last and I am already looking at other JDA systems that make sense for our business goals. It’s just a natural evolution.”

About JDA Software Group, Inc.

JDA® Software Group, Inc. (NASDAQ: JDAS), The Supply Chain Company®, is a leading global provider of innovative supply chain management, merchandising and pricing excellence solutions. JDA empowers more than 6,000 companies of all sizes to make optimal decisions that improve profitability and achieve real results in the discrete and process manufacturing, wholesale distribution, transportation, retail and services industries. With an integrated solutions offering that spans the entire supply chain from materials to the consumer, JDA leverages the powerful heritage and knowledge capital of acquired market leaders including i2 Technologies®, Manugistics®, E3®, Intactix® and Arthur®. JDA’s multiple service options provide customers with flexible configurations, rapid time-to-value, lower total cost of ownership and 24/7 functional and technical support and expertise.

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