



Services: Vendor enablement and Integrated Fulfillment
Industry: Lifestyle retailer
Brands: Spencer's, Spirit Halloween

Case Study: Spencer's Gifts

Spencer Gifts LLC, a lifestyle retail company, operates 2 unique national retail brands, Spencer's and Spirit Halloween throughout the United States, Canada and online.

Spencer's, a retail icon, has been focused on delivering humor, enjoyment and entertainment to its core 18-24 year old guest for over 60 years. Originally founded in 1947 as a mail order catalog, Spencer's opened its first mall store in 1964. Today Spencer's operates over 550 locations throughout the United States, Canada and online.

In 1999 Spencer's acquired Spirit Halloween, a burgeoning seasonal Halloween retailer that has grown from 63 locations to over 600 throughout the United States and online for the 2008 season. Celebrating its 25th anniversary, Spirit specializes in innovative and entertaining Halloween merchandise.

Together both brands interact with over 460 vendors domestically and internationally.

Improving Spencer's Gifts' Trading Partner Relationships



RETAILERS



SUPPLIERS



3PLS

An Expanding EDI Initiative for a Global Supply Chain

Prior to 2006 Spencer's and Spirit handled its order communications with vendors manually, very few used EDI. The communications that did utilize EDI technology were for Purchase Orders (PO) only and

applied to few vendors, less than 50% of their base. The remainder was done via manual supply chain processes. In addition to manual communication processes, Spencer's did not have a formal, efficient way to add new vendors onto the EDI system they were using. Thus the ordering process was inefficient and costly.

As Spencer's and Spirit's businesses evolved, the company realized the need for improved efficiency and productivity when communicating order information with their vendor base. They needed a complete EDI program that would streamline the ordering process, maximizing efficiency and cutting costs. Due to their unique business models the EDI program would have to accommodate small vendors as well as work with a growing base of international suppliers. It would have to address time zone, accessibility and language differences. Management decided that the best way to achieve their goal and to obtain an EDI program to fit its needs, they would have to look for an external partner.

“Spencer's wanted to create an environment for all of our domestic and international vendors to adopt EDI quickly. SPS Commerce helped us to achieve extremely high EDI compliance with our suppliers. Today more than 96% of all our orders are processed via EDI.”

—Ann Arena, Director, Merchandise Management Systems, Spencer's

SaaS EDI Makes it Easy to Enable Vendors, Reduce Costs

In June 2006, Spencer's and Spirit Halloween selected SPS Commerce as its outsourced provider of EDI services. SPS Commerce's SaaS-based Fulfillment solution was best suited to help Spencer's and Spirit meet their objectives, which included increasing visibility on all fulfillment models (ship-to-distribution center bulk, ship-to-store and pre-pack); enabling international and foreign vendors; enabling small vendors; streamlining internal processes; and supporting its Halloween business.

The main goal of Spencer's and Spirit was to provide an environment that encouraged all of its vendors, both domestic and international, to participate in their EDI program. While working with SPS Commerce, Spencer's and Spirit were able to do just that. They expanded their EDI transactions and implemented barcode labels, developed and refined its vendor list and targeted its most important vendors with an EDI enablement program.

The EDI program implementation proved successful among the vendor group with 35% of the vendor base complying within the first 12 weeks. Since implementing this program Spencer's has dramatically reduced costs and improved efficiency in the ordering process. The SPS Commerce Integrated Fulfillment solution has enabled Spencer's and Spirit to integrate key ordering data into its legacy systems as well as eliminate manual processes associated with order communications. By adding key ordering data buyers, planners, distributors and members of the import team have gained visibility into the ordering process, enabling improved and real-time monitoring and trafficking of merchandise. Today Spencer's and Spirit have EDI connections to 335 vendors using SPS' EDI services. The company currently runs more than 96% of all orders, domestic and foreign, via EDI on a weekly basis with as little as 1% error rate and non-measurable downtime.

About SPS Commerce

SPS Commerce perfects the power of your trading partner relationships with the industry's most broadly adopted, enterprise retail cloud services platform. As a leader in on-demand supply chain management solutions, we provide prewired, proven integrations and comprehensive retail performance analytics to thousands of customers worldwide. With a singular focus on the retail marketplace, we revolutionized traditional EDI systems by developing a platform that enables highly cost-effective and reliable trading partner collaboration. SPS Commerce has achieved 48 consecutive quarters of revenue growth and is headquartered in Minneapolis.