

# Paper Island

Paper Island in the UK designs and produces creative greeting cards and giftware for all occasions and seasons through its best-selling brands Fizzy Moon and Angels at Heart. The company sells its products to more than 700 independent retailers and several large retail chains.

Recently, the company launched an auto-replenishment project after experiencing significant stock-outs at its primary customer, one of the largest card and gift retailers in the UK. "When we realised the stock-outs were resulting in lost sales for both our company and our customer, we decided to evaluate the entire inventory planning and replenishment process from start to finish," says director of operations Phil McNulty.

Historically, Paper Island's primary customer replenished its greeting cards using the traditional stock notification ticket placed behind the cards in the greeting card pocket. When stock levels reached a certain point, store staff manually pulled the stock notification ticket and replenished the card pocket with more greeting cards. When Paper Island discovered that tickets were becoming misplaced or lost and not being pulled in time to replenish cards before stocks were exhausted, it decided to search for a more efficient replenishment process that would guarantee its greeting cards would remain on its primary customer's shelves.

Paper Island already uses two Demand Solutions supply chain management systems – Forecast Management and Requirements Planning – so Demand Solutions Retail Planning was a natural fit for the company. Demand Solutions' ability to optimise store-level replenishment using POS data was just what Paper Island needed to streamline and automate the inventory replenishment planning process.



Paper Island implemented Retail Planning in just ten days. After experiencing overwhelming success at the initial ten pilot stores, the company continued to deploy the software in additional stores. Today, 350 of the major UK retailer's branches are using the software.

Since implementing Retail Planning, Paper Island has reached its goal of reducing stock-outs and increasing sales. "Shortly after we implemented Demand Solutions, like-for-like sales of our main brand Fizzy Moon were 44 per cent higher in the stores being auto replenished through Demand Solutions than in the non auto-replenished stores," says McNulty.

Seasonal item sales have also increased. "Sales of cards and gifts for the Christmas season were approximately 34 per cent higher than previous years," says McNulty. "Although the quality of designs and products were improved, we believe that the sales increase was largely because of Demand Solutions Retail Planning."

In addition to these benefits, Paper Island has also succeeded in optimising its warehouse operations. "After implementing Demand Solutions Retail Planning, our ability to schedule and manage work through our

warehouse has significantly improved," says McNulty. "The warehouse now works to a repeating weekly cycle, allowing the gearing of warehouse resources to meet the growing demand for our products."

Replacing the time-consuming and ineffective replenishment process with a new automated one powered by Demand Solutions was a smart decision for Paper Island. The company has created a mutually profitable relationship with its primary customer and has gained a significant competitive advantage. "Our decision to invest in the auto-replenishment process with Demand Solutions Retail Planning software has not only redefined our supply chain but has allowed us to reinforce our position as a first-class supplier," concludes McNulty.

### Overview

**Solution:** Automated replenishment

**Benefits:** Reducing stock-outs, increased sales, including boosted seasonal item sales, optimised warehouse operations

**Technologies:** Demand Solutions Retail Planning, Microsoft Dynamics AX

**Partner:** Demand Solutions