Yankee Candle, the world’s largest manufacturer of premium candles, is always looking to increase productivity. With more than 30,000 locations in 49 countries, the retailer/wholesaler has been in business for more than 40 years. Company-wide sales increased 7.1 percent last year to $785.8 million; retail sales increased 5.4 percent to $449.2 million, and wholesale sales increased 1.2 percent to $235.2 million.

Yankee Candle has been working with Manhattan Associates since 1998, beginning with the warehouse management system. As the chain grew, so did its distribution needs.

“We quickly learned that manufacturing really wasn’t a sweet spot,” says Kim Dacyczyn, director of business systems analytics for Yankee Candle. “We really lost a lot of flexibility within our WMS because of the number of modifications we needed.”

Since Yankee Candle both manufactures product and supplies its own retail stores — as well as national department stores, specialty retailers, grocery stores and drug stores — the company needed an open systems platform to provide the flexibility to field all requests.

Multi-channel solutions
Yankee Candle executives concluded that Manhattan’s Distributed Order Management (DOM) would help with the host system and bring management and inventory orders closer together. “We also quickly realized that the labor module had really matured since we last looked at it,” Dacyczyn says. “We felt that that was going to be a better tool to use than what we currently have with the full integrated platform.”

According to Manhattan, DOM gives multi-channel retailers and consumer goods manufacturers with retail/direct operations the tools to manage, monitor and optimize cross-channel order management — from order entry through funding sourcing, allocation, shipping and settlement. Manhattan says DOM leverages Manhattan’s Supply Chain Process Platform to provide a global, real-time view of inventory, order status and location.

Competing inventory demands
DOM is important because many manufacturers are creating direct channels to consumers, says Brian Kinsella, a senior director in the product management group at Manhattan Associates.
“The most obvious example being the web, but also many are aggressively opening retail bricks- 
and-mortar locations,” Kinsella says. “The needs are changing.”

“Inside of a historically wholesale business, it becomes even more challenging because most are 
still driving somewhere between 40 and 70 percent of the revenue through wholesale,” he says. 
But in addition to their own websites, “their big growth drivers are the bricks-and-mortar retail that 
they are operating.”

Retail/wholesalers historically ship from a wholesale management system, Kinsella says, but that 
doesn’t work when there are competing demands for that same pool of inventory.

“The two most obvious examples are e-commerce and retail replenishment orders,” he says. 
“What some companies have done ... is create a completely redundant infrastructure to support 
those channels.”

In some cases, the e-commerce warehouse is not integrated with B2B flow or retail 
replenishment, he says; as e-commerce or retail numbers grow, retailers reconcile growth into 
the operations of the larger company.

Kinsella says this growth flows back to demand forecasting independently by channel, because 
different factors go into calculating an accurate e-commerce forecast as opposed to a B2B 
forecast.

“When you cut the resulting PO,” he says, “what you really want to do is optimize across the 
channels so that you can buy less safety stock overall and still provide the service level that you 
would need to provide.”

“The flow then becomes independent forecast by channel, consolidated purchase order by 
channel, management of a single pool of inventory across channels within the distribution 
centers,” he says, “but virtualized pools of inventory in the order management layer and the DOM 
layer, such that they still get control over how much inventory can be shown to the various 
channels that are consuming it.”

**Network-wide inventory views**

Based on a true order management infrastructure and advanced cross-channel algorithms, DOM 
allows retailers to serve all channels with real-time order and inventory views. According to 
Manhattan, DOM allows retailers to leverage network-wide views of inventory to sell more at 
each point of customer engagement, determine the optimal fulfillment location and optimize the 
fulfillment point selection process by simultaneously factoring inventory, transportation cost, labor 
and service level.

These attributes will help Yankee Candle increase productivity, says Howard Barron, CIO for 
Yankee Candle.

“How do we be more productive with the workforce and the physical wall capacity that we already 
have?” Barron asks. “DOM was a way around that,” though it is not yet integrated into the system 
for Yankee Candle — and Barron says the company is not expecting 100 percent productivity 
gain immediately.
“It’s really more about flexibility and productivity gains in our existing footprint,” he says. “Our on-time delivery is pretty good already because we control the supply chain ourselves. It’s really the flexibility to ... be omni-channel. Our existing infrastructure really wasn’t allowing us to do that. We had to do a lot of hard-coding and bend the rules. DOM is allowing us the flexibility to match the current footprint of our business and help us grow.”

**Fulfilled improvement**

Yankee Candle also hopes to use DOM to improve fulfillment and maximize inventory. “We’re also constantly evolving ... where we ship,” Barron says. “Our different customers, our different store bases – and we’re a global brand now, so there’s a lot of different touchpoints as to where we’re shipping.”

Yankee Candle does a lot of consolidation at facilities to get products ready for distribution.

“We actually have shipping requirements or distribution requirements ... where we have to potentially limit the number of those same types of products that can be shipped together,” Dacyczyn says. “It’s not just about the candles and the limitations or the exceptions ... Everybody has challenges as to how they ship their products.”

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