RACK ROOM SHOES:
OPTIMIZING OPERATIONAL PROCESSES

With Agilence, Rack Room Shoes Fine-Tunes Operational Efficiencies to Increase Profits

Introduction

Founded in 1920 in North Carolina, Rack Room Shoes has grown to operate over 450 stores in 34 states. In 2002, the brand acquired Atlanta-based Off Broadway Shoes who continues to operate 30 stores independently after the acquisition. Since its inception, Rack Room has established a high degree of professionalism coupled with their signature southern charm to become a sustaining force in the retail footwear space. Rack Room Shoes, with its strong tenured employee base, always aspires to give back to their employees and their communities by offering various rewards, discounts, and charitable programs.

Quick Facts

Identified out-of-policy discounts being applied across the enterprise.
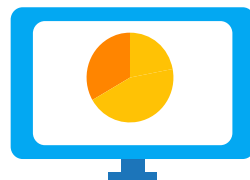
An Upsell Dashboard has revealed new performance metrics that can be tracked to individual cashiers.

Team members were able to pinpoint problem areas within policies and procedures that were hurting profits.

Rack Room Shoes extends their charitable outreach through their partnership with Shoes That Fit, providing more than 150,000 pairs of shoes to children in need and supporting local fundraising opportunities and initiatives.

To honor the men and women who serve, Rack Room Shoes proudly offers a ten percent military discount every Tuesday (also honored on Memorial Day, Independence Day, and Veteran's Day) to military personnel and their family members.

Rack Room Shoes also offers one of the most generous employee discounts in the industry and allows employees and their immediate families to apply the discount in addition to existing promotions.

Opportunity

The Loss Prevention team identified an opportunity to better balance their core values of giving back and the desire to build profitable brands that will sustain and grow into the future. While the discounts are very important to the Rack Room Shoes mission, there was significant margin erosion that was hurting the company's profits. Unfortunately, their bottom-up approach starting at the transaction level wasn't revealing the full scope of the opportunity at hand. They needed a more comprehensive, topdown view of exceptions to pinpoint and address problem areas.

Solution

Using Agilence's data analytics platform, the Rack Room Shoes Loss Prevention team was able to start at the enterprise level and work their way down to identify exceptions and gain a holistic perspective of the impact on enterprise profits. With the help of Agilence's team of Analysts, they were able to pinpoint operational policies associated with both the military and employee discounts that were eroding margins.

With the creation of a hyper-targeted Discount Dashboard, Rack Room Shoes team members have been able to pinpoint problem areas within their policies and procedures that needed to be altered or clarified. For example, employee discounts were being extended well beyond the immediate families of their employees and military discounts were stretching out well beyond the program plan and budget.

Results

With this information in hand, the Rack Room Shoes Loss Prevention team was able to advocate for processes to be put in place or updated to ensure that out-of-policy discounts were minimized moving forward. The quick successes in these areas helped position the Loss Prevention team as data experts and encouraged other departments like Operations, Finance, and Marketing to turn to them for data-driven insights. They have already developed some new upsell components to add to a sales dashboard that will help Operations explore new metrics that can be tracked to individual cashiers. These new areas and data points will be utilized to enhance further profit and growth opportunities within the Rack Room Shoes data.

> "Agilence helped our team to become more efficient, profitable, and we are well on our way to become a more data-driven organization because of their help. We couldn't be happier with their application and the expertise of the Agilence team."
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> **- Kim Auman-Fanning
> Director of Loss Prevention,
> Rack Room Shoes**