



Boomerang Kids finds FranchiseBlast* a perfect fit

Intel®-powered infrastructure tallies real-time business data



Large franchises have sophisticated software to help franchise owners manage sales, order product, control inventory, and manage other aspects of the business. Until recently, these systems were too expensive for smaller franchisors to implement. FranchiseBlast*, a software solution developed by Gatineau-based LavaBlast Software Inc., makes available the management, inventory and purchasing tools a franchisor needs, at a cost that growing franchises can afford, while providing IT support to keep systems running reliably.

“We are building software that puts the powerful tools used by large franchises in the hands of smaller businesses, at a price they can afford,” says Jason Kealey, LavaBlast President and CEO. The software is designed for smaller franchisors of around 50 locations that don’t have in-house IT or resources. “We saw a gap in the market for a more affordable solution that has most of the same functionality for smaller franchisors, under 50 locations, which is 60% of the franchise market.”

FranchiseBlast installs and supports the software, hardware, point of sale (POS) systems, and any peripherals needed in the stores. The data is stored and managed on FranchiseBlast’s centralized servers powered by the Intel® Xeon® processor E3 family to allow franchisors and their franchise

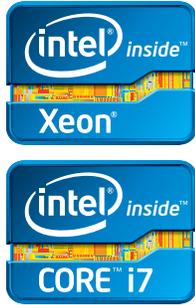
store owners to access up-to-date information from anywhere, at any time.

The solution was a perfect fit for Ottawa’s Boomerang Kids, which originally operated two consignment children’s clothing stores in Ottawa and was looking to expand using a franchise model.

“We knew we could grow as a chain because Boomerang Kids was a really popular brand even with only two stores,” says Heather Meek who purchased the stores with a partner in 2007, operated them and expanded with two more suburban stores to understand the business inside out, while ensuring the stores could generate enough profit to support the franchise model. “It is a different kind of retail because it is resale. We took a few years to tweak the model, implement business processes and new technology because the business is about volume.”

“Our stores became a real centre of the community for families,” she says, noting “we get more supply than we can ever use and we pick only the highest quality from everything that comes in. The clothing looks brand new but we are offering it at ½ price.” Meek credits technology as an enabler of success because it allows them to track sellers, the status of items and all other business operations.





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– Heather Meek
Owner, Boomerang Kids

“It is critical to what we have accomplished and where we are going,” says Meek. “This system is integral in, number one, knowing where we are at today, to know where we have been and then to know where we are going in terms of the changes we are making to the business.”

Today, Boomerang Kids has nine franchise territories sold and another franchise is pending. Meek says they’re realizing their franchise goals and that technology helps during franchisee sales meetings. “Anyone who has any retail experience understands the power of the data and what we have developed is very sophisticated for our size and length of time in business. This has been a real selling feature.”

Business Decisions Powered by Information

Not unlike other retailers with multiple stores, each Boomerang Kids location used to operate as a silo of information with monthly reports sent in to track performance.

“They had no centralized information,” says Kealey, noting without visibility to real-time sales information, growth would have been difficult, especially in a consignment business where each item is linked to a specific seller.

Instead of waiting until month-end to review reports, FranchiseBlast’s Intel-powered servers deliver up-to-date information about sales and profitability, which means Meek can provide individual store owners with instant feedback, coaching and information to enable success.

“Every morning, I can see what each store achieved the day before and all reports are up to date,” Meek says, adding “FranchiseBlast allowed us, as franchisors, to have complete visibility into what is happening in all the stores and it also provides sophisticated data

and analysis for franchisees on their business. The information is so rapid and so immediate that they can make very quick management decisions (about productivity, pricing and inventory levels).”

FranchiseBlast customized its software to handle the consignment business and efficiently track products, sellers and sales of the close to 800,000 items in stock at any given time.

“We have to be on top of what we are getting and what is selling because we are making immediate decisions on what to accept. We want the owners in the stores to know (for example) that today we are going to need more Halloween costumes. The data really helps to focus our take-in and store merchandizing on what is selling,” says Meek.

“We have defined and critical key performance indicators (KPI). I can give franchisees feedback based on our knowledge of the business and what we are seeing compared to other stores, which is very valuable,” adds Meek.

“We can see what happens in the stores every day, right down to the person, the staff member on a productivity basis. FranchiseBlast is allowing franchisees to make smart changes to their business on a real-time basis.”

Growth Made Virtually Seamless

With companies like Boomerang Kids growing rapidly and new customers coming on board, FranchiseBlast needs capacity for expansion, which it gets thanks to virtualization. Kealey is projecting his own sales to continue to double every year so he depends on reliable performance that’s scalable.

“Our number one criteria is performance,” says Kealey, adding they also require reliability because their customers log in at all times of the day and night, and Intel delivers.

“We can launch a new server in 15 minutes and we have redundancy built in,” says Kealey, adding developers leverage virtualization to emulate a production environment before they go live. “It allows us to do more with less hardware.”

But, Kealey says they won’t compromise on performance. Developers who are customizing and continually improving the solution rely on their desktops powered by 3rd Generation Intel® Core™ i7 processor family. “I also personally use Intel® solid state (drives) because of their reliability. I don’t want to waste time reinstalling applications on a crashed machine.”

Pricing Made Easy

To handle the consignment business, every item has a unique bar code which identifies the item, the owner and the selling price so sales can be reconciled. Product and pricing data is input into FranchiseBlast’s Intel® Xeon® processor-based servers, so that the staff have up-to-date information on what range an item can sell for (based on brand and wear).

Centralizing the entry of product information improves the quality of data and efficiency, not just at Boomerang Kids but any franchise retail location. “We save store owners time since they don’t have to manually enter information,” says Kealey. “It ensures the quality of the data remains high which enables us to do better reporting on it.”

“It takes the guesswork out of pricing and ensures all stores are selling items at optimal levels,” adds Meek, noting in the past, staff would have to review hard copy lists of products to determine the right selling price. “All information is now updated more often and available at the touch of a button.”

Since each store can receive and

price as many as 500 items a day during a peak season, efficiency is key. POS computers are installed at all retail stores which talk with the FranchiseBlast server to exchange real-time information about sales, staffing and inventory. FranchiseBlast has always standardized on Intel hardware after having some negative experiences in the past. “We supply (our client’s hardware) so we try to have the most reliable systems,” says Kealey. “Even if there’s an additional cost upfront, you get it back in the end because you are not wasting time repairing defective hardware.”

Self-Serve Saves Time

To further improve efficiency, Boomerang Kids has self-serve kiosks in every store where customers can set up accounts and drop off items, a FranchiseBlast feature that really resonated with Meek.

“Kiosks have automated our drop off process,” says Meek, noting over 90% of their inventory is dropped off at kiosks. “It makes our process more efficient and it was something we hadn’t considered before (our first meeting with Jason).”

“Drop offs continue to go up by about 10% every year. Month over month we have more drop offs but we are able to maintain the same staffing levels,” says Meek.

Online Consignment

With the retail solution running efficiently, Boomerang Kids looked for other opportunities to boost franchisee’s profitability and are pilot-testing a cloud-based e-commerce solution. FranchiseBlast software tracks all items in a store’s inventory and transmits the data in real-time to the online store. As items are sold, the information is updated instantly. Customers have the option to pick

Challenge

Moving from a small local retailer to a regional or national franchise chain requires seamless processes and real-time access to information about all locations and franchisee performance but the systems leveraged by large franchisors are costly both in terms of software and hardware.

Solution

Franchise Infrastructure Enabled. LavaBlast Software Inc.* has created FranchiseBlast, which takes the functionality of a large franchise management system and makes it accessible and affordable for smaller franchises like consignment children’s retailer Boomerang Kids. To ensure reliable access to real-time information, FranchiseBlast standardizes on Intel®-based hardware.

Impact

- No more waiting for monthly reports. Information about sales and profitability for Boomerang Kids owners and franchisees delivered in real-time by FranchiseBlast’s solutions, powered by Intel® Xeon® processor E3-1270 v2.
- Self-serve kiosks powered by Intel® allow customers to self-check in and drop off items, freeing up staff.
- Inventory data is managed by FranchiseBlast’s Intel® Xeon® processor E3-1270 v2 powered servers, delivering potential online sales of between 1% and 5% of total store sales in two months and online revenues are projected to reach 10% of total sales within its first 12 months of operation.

up purchases in store or have it shipped to their home, and credits for items previously consigned with Boomerang Kids can be used to make purchases online.

“The e-commerce business has been developed on top of the bricks and mortar business, using the same resources,” says Meek, noting they have seen a steady growth in online sales of between 1% and 5% of total store sales since it launched two months ago. She projects that online sales will grow to 10% of total revenues within the next six months.

Up-sizing Opportunities

With Boomerang Kids gaining popularity across Ontario and Quebec, Meek and her partner, Krista Thompson, have started work on the next business opportunity, an adult consignment store called Rikochet Resale*, which they are also looking to franchise. The business leverages FranchiseBlast, self-serve kiosks and the online retailing model that have been successful at Boomerang Kids.

“We hope to be franchising it within six months to a year,” says Meek. FranchiseBlast is perfect for launching the new business because it gives Meek information she needs to track the fledgling business. “It is already customized for resale and is working well for Rikochet Resale after three months of use.”

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*Other brands may be claimed as the property of others

Please Recycle

About Boomerang Kids

Boomerang Kids is a Canadian franchise chain of resale stores featuring children's clothing, gear, accessories, toys and books. The chain has locations in Ottawa (including Old Ottawa South, Westboro, Kanata, Orleans, and Barrhaven), Vaughan, Gatineau, and Montreal with new franchises available across Canada.



About LavaBlast Software Inc.

LavaBlast Software Inc., based in Gatineau, Quebec, is the creator of FranchiseBlast, operational software to help manage day-to-day operations within franchisees, in real-time, and increase the level of control and visibility into a franchise business.

