

Tamson “Tammie” Shelmire,
Vice President,
Main Store Softlines Division



Shelmire

Softlines Picking Up Steam

Tamson “Tammie” Shelmire, the vice president of the Army & Air Force Exchange Service’s Main Store Softlines Division since May 2011, is leading a rejuvenation of Softlines in exchange stores during the past year.

Although there are numerous reasons why Softlines has picked up steam in recent months, AAFES’s overall corporate strategy to “intensify national brands” is certainly at the forefront of the energy the area has been generating.

Shelmire discusses this new momentum, the impact national brands have had in rejuvenating various Softlines categories, and how these and other factors are helping AAFES maintain relevancy with its customers.

E and C News: Softlines categories seem to have built fresh momentum in Exchange stores in ways not seen in a number of years — is that a fair characterization?

Tamson “Tammie” Shelmire: Yes, it is a fair characterization. There were four key ingredients that came together to stimulate Softlines business in the Exchange.

Two of them are our corporate strategies: intensify

national brands and grow online sales. The third is the implementation of Retek Merchandising System (RMS) Allocation and Markdown Optimization tools that supported merchandise flow to our stores. And, the fourth is the set-sell planner which guided stores with merchandise execution.

E and C News: What has AAFES done differently in Softlines in the last few years, and recently, that has made this area click in Exchange stores?

Shelmire: In conjunction with the corporate strategy of intensifying national brands, the Softlines Division has expanded brand awareness within our stores and online by enhancing existing branded concept shops; accelerating additions of new concepts and soft shops; and negotiating more meaningful collaborations with targeted vendors.

Using the RMS Allocation system to distribute fashion product, we are now able to allocate merchandise closer to ship date, and allocation can be adjusted based upon current sales trends. The flexibility to adjust allocation based on demand improves sales and reduces markdown dollars by having the right quantities of merchandise at the right locations.

Our philosophy is to keep focusing on what we do best: providing the top brands at unbeatable prices at the right locations.

E and C News: What are all the strong/hot brands in AAFES Softlines, and what are the strong/hot Store-in-Store (SIS) brands in the Softlines areas?

Shelmire: Missy branded apparel has become a major focus for the women’s department. Missy floors are being repositioned to support the exposure of brands such as Michel Kors, Lucky, Tommy Hilfiger and Lauren/Ralph Lauren, all with

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“Intensifying national brands” for example here at Fort Meade, Md., is one facet of AAFES’s business that has enabled its Softlines assortment to rebound during fiscal 2014.



The implementation of the Retek Merchandising System (RMS) Allocation and Markdown Optimization software modules has supported merchandise flow to AAFES main stores, and the use of a set-sell planner now helps guide them with merchandise execution. Fort Meade, Md.

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substantial savings lower than the manufacturer’s suggested retail price (MSRP).

One of our strongest brands is Michael Kors Apparel, since it crosses many departments: footwear, apparel, and jewelry. In Men’s apparel, the outdoor category has seen a major expansion, with national brands such as The North Face and Columbia, which have key items in all main stores.

E and C News: *Do these lines have brokers or distributors, and if so, how do they help with merchandising and other aspects of the business?*

Shelmire: Our vendor partners play a critical role in providing support such as fixturing, marketing elements, and advertising venues such as signing and price signing. For example, our team successfully negotiated with Michael Kors for all-inclusive concept shop support to include new fixtures, mannequins and branded signing that military shoppers are used to seeing in other retailers.

E and C News: *What are some of the up-and-coming brands that you are expecting to take off in the near future? How do you keep ahead or in sync with the patron’s need for “newness” and the current fashion curve in the various subcategories?*

Shelmire: In Ladieswear, Ellen Tracy and Vince Camuto show potential to take off in the near future. Also, The North Face and Columbia brands continue to show positive trends.

Exchange buyers shop the same fashion markets that buyers for department stores and specialty clothing stores shop. They have worked with several major trend companies that assist with market and brand trends.

Our primary goal is to procure the latest trends in fashion apparel that our customers recognize and want, at a great value.

In both Men’s and Ladies’ apparel, the outdoor category will continue to expand with national brands. As an example, The North Face and Columbia will have key items in all main stores.

E and C News: *How do your buyers work with Planning, Allocation and Replenishment (PAR) and the stores to try to avoid unwanted markdowns?*

Shelmire: Markdown Optimization (MDO) is a primary tool that both buyers and PAR utilize in controlling unwanted markdowns at the stores. IMPACT teams — consisting of buyers, planners, allocators and replenishers — carefully monitor each SKU, and take proactive measures to develop optimal markdown percentages and timing.

The goal is to protect gross margin dollars over the entire life cycle of the product.

E and C News: *It’s been said that AAFES patrons “love a sale!,” so how do you work around this phenomenon to also inform them that AAFES has the best prices during weekdays, too?*

Shelmire: It is a two-prong approach. One is for our buyers to continue fortifying national brand presence at the stores. With our prices well below MSRP, shoppers will recognize the savings and will purchase without waiting for a sale.

The other approach is for our teams to send the right product to the right locations. With fresh shipments arriving daily/weekly, customers will shop our stores more frequently for the best selection.

E and C News: *Is there anything else you wanted to say to merchandisers, store managers and suppliers?*

Shelmire: Maintaining the Exchange’s relevance to military shoppers is Softlines’ primary focus. We need to be the customer’s first choice when it comes to fashion apparel and footwear.

In order to do so, merchandisers, store managers and suppliers must share information, communicate, collaborate and strategize together to develop new ways to enhance the shopping experience while maximizing profits for the Exchange.

—E and C NEWS