



## A Bright & Bubbly Forecast for LUSH Cosmetics

LUSH Cosmetics, an internationally recognized handmade cosmetics retailer, sought to streamline their demand forecasting process to better serve customers and improve their efficiency. With Prophix, LUSH's Office of Finance has driven significant economic gains and improved customer satisfaction.

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### Business Challenges

LUSH store managers would prepare purchase orders after analyzing the previous year's sales data. They reviewed this data bi-weekly throughout the year, and more frequently during the Christmas season. Individual stores had to fill out purchase orders by hand, which resulted in last-minute stock requests that included costly air shipments. Without the ability to properly forecast, stores would have to liquidate their overstock during the post-season sell-off.

### Why Prophix?

LUSH desired a solution that would allow them to effectively forecast product demand by leveraging historical purchasing patterns for any given store in any future state. After researching the available Corporate Performance Management (CPM) solutions, LUSH chose Prophix. Their Office of Finance was confident they could keep their store shelves stocked at an optimal level with Prophix, raising their sales, increasing their customer satisfaction, and decreasing costs.

### Results

Shortly after implementing Prophix, LUSH was able to reduce their costs of goods sold, increase their profit margins and minimize the amount of leftover stock at each store. Prophix's seamless integration with Microsoft Dynamics AX compliments LUSH's IT infrastructure to deliver a solution with a low total cost of ownership, high return on investment, and rapid time-to-value.

Since establishing 19 years ago, LUSH has been driven by innovation and its ethics. Creators of pioneering beauty products such as the fizzing bath bomb, shower jellies and solid shampoo bars, LUSH places emphasis on fresh ingredients like organic fruits and vegetables. LUSH operates a strict policy against animal testing and supports Fair Trade and Community Trade initiatives. LUSH leads the cosmetics industry in combating over-packaging by running public awareness campaigns and developing products that can be sold 'naked' to the consumer without any packaging.

**Operating:** Since 1996

**Website:** [www.lush.com](http://www.lush.com)

**Annual Revenue:** 100 million USD (North America); 500 million USD (International)

**Employees:** 150 (North America); 700+ (International)

**ERP:** Microsoft Dynamics AX

Since adopting Prophix, LUSH's Office of Finance noticed a distinct transition from 'ordering scared' to 'ordering smart', which saved the company \$500,000 during the Christmas season. Using Prophix for demand planning has also provided LUSH with a forward-looking view of their organization, allowing them to measure, analyze and validate corporate strategic plans against actual results.

Although it's difficult to quantify, LUSH believes that customer satisfaction has increased significantly since adopting Prophix. With their new automatic store purchase orders, employees and their managers have more time to focus on customer care. Additionally, with less frequent orders and fewer shipments from distribution centers by land and air, the company has been able to reduce its carbon footprint.



**LUSH stores have realized an average revenue growth of 15% year-over-year and have reduced their days on hand inventory by more than 7 days.** With a 90% end-user adoption rate, LUSH generated a return on their investment within 7 weeks of going live.

## About Prophix

Your business is evolving. Your systems should evolve too. Achieve your goals more successfully with Prophix's innovative Corporate Performance Management (CPM) software. Improve profitability and minimize risk when you automate repetitive tasks and focus on what matters. Budget, plan, consolidate and report automatically. Whether in the cloud or on-premise, Prophix supports your future with a platform that flexes to suit your strategic realities, today and tomorrow.



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