

# Lionel Racing

*Driving Omnichannel Order Fulfillment with Descartes OzLink™*

Building on the toy train and model railroad tradition of Lionel, LLC that dates back to 1900, Lionel Racing is the officially-licensed diecast of NASCAR and NHRA (drag racing). Together, they ship more than \$75M+ of collectibles around the globe annually. Descartes OzLink™ for NetSuite automates and streamlines Lionel Racing's sophisticated omnichannel order fulfillment processes to reduce costs and improve operational efficiency.

## The Challenge: Omnichannel Complexities

When Lionel consolidated train and NASCAR operations in North Carolina in 2012, annual outbound shipments went from \$25M to \$75M+, inbound containers went from 75 to 300+, inventory quintupled from \$4M to \$20M, and warehouse space doubled to 150,000 sq. ft. With such significant growth, order management challenges arose.

Key metrics—fulfillment time, cost, and accuracy—became highly visible. With Lionel's omnichannel distribution strategy adding complexity to the process, the company needed to meet the rigorous requirements of each unique channel, from mass retailers and dealers/wholesalers to e-commerce, direct-to-consumer, and corporate programs. Saddled with legacy IT systems, Lionel sought a solution to automate and integrate its complex order fulfillment processes.



Lionel was faced with order management complexity as a result of increasing sales and new fulfillment requirements across multiple channels for its licensed diecast race cars for NASCAR and NHRA.

**LIONEL™**  
*Racing*

“ Best practice insights from the Descartes team were invaluable in transforming our order management capabilities to handle our complex omnichannel requirements. We've achieved 100% accuracy in our dealer/wholesaler channel—which represents 65% of our volume—and reduced processing time by 73% in our ecommerce operations. Descartes OzLink is fundamental to our continued growth. ”

– Rick Gemereth, CIO  
Lionel

## ABOUT LIONEL RACING

Headquartered in Concord, NC, Lionel LLC has been producing model railroad sets since 1900. Lionel Racing, a division of Lionel, is the market leader in the design, promotion, and distribution of officially-licensed diecast race cars for NASCAR and NHRA, selling collectibles through a variety of channels around the globe.

## The Solution: Operational Efficiency Kicks into Gear

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With operational efficiency and cost savings a top priority, Lionel replaced its legacy IT system with the cloud-based Descartes OzLink for NetSuite solution, streamlining and automating shipping, warehouse and ecommerce processes to increase productivity and minimize costs.

“Our aim is to maximize our sell rate while delivering the highest quality of product in a timely fashion. The Descartes OzLink solution has enabled us to meet our objective by improving accuracy, reducing costs, and decreasing fulfillment time across all of our channels,” said Rick Gemereth, CIO at Lionel.

To support Lionel’s sophisticated omnichannel distribution strategy, Descartes OzLink integrates seamlessly with NetSuite, UPS WorldShip, and SPS Commerce (EDI). The systematic and automated order fulfillment process helps Lionel satisfy the complex requirements of each channel, such as branded boxes, ASNs, and GS1-128 (UCC-128) labels for direct-to-consumer customers (e.g., Amazon); rapid turnaround for the ecommerce channel; and multiple order consolidation and vendor-compliant labeling for a mix of small package and freight shipments for dealers and wholesalers.

“Whether it’s the cross-docking batch process that eliminated 22 hours of processing time, or mobile scanning technology and integrated QC that achieves 100% accuracy for our dealer/wholesaler channel, or branded packing lists and combo-labels that keep our direct-to-consumer channel happy, the Descartes OzLink solution has completely transformed our warehouse and shipping operations,” enthused Gemereth.

## The Results

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### Enhanced Operational Efficiency

Integrating seamlessly with the Descartes OzLink solution, scan gun technology in the warehouse has reduced paper-based processes; streamlined the pick, pack, and load process; and enabled more efficient inventory control with accurate cycle counting.



### Reduced Fulfillment Time

With Descartes OzLink, Lionel automated and streamlined its shipping processes and warehousing operations for productivity gains across all channels, including a 73% reduction in fulfillment time in its ecommerce channel.



### Increased Accuracy

Seamless integration points and information sharing between Descartes OzLink, NetSuite, UPS WorldShip, and SPS Commerce have helped Lionel to improve order accuracy by maintaining the integrity of order details throughout the fulfillment cycle.



### Decreased Costs

The Descartes OzLink solution helped Lionel to reduce transportation costs with flexible shipping options, decrease labor costs through increased productivity and efficiency, and minimize chargebacks and return material authorizations (RMA) with increased accuracy.