

Apparel Retail industry Manufacturer has **30%** inventory reduction opportunity

Manufacturer improves visibility of supply pipeline through the development of supply chain methodologies, strategies and tools

Improved visibility to supply pipeline, increased decision support and streamlined processes with a potential 30% inventory reduction

Challenges:

- Lack of visibility and control of supply chain decision-making through operational metrics
- Lack of objective data to demonstrate economic impact of planning and ordering decisions
- High levels of one-off manual processes making training, support and process improvements difficult and limiting consistency of approach
- Talented and youthful staff that are in touch with the market but high turnover
- Limited decision support systems and tools to enable Merchants/Planners to develop plans, track and respond to market dynamics
- Lack of vendor management metrics to evaluate supplier performance, capacity, quality & delivery

Solutions:

- Development of planning methodologies, strategies and tools to provide visibility to economic impact of decisions, optimal inventory and buy suggestions to support sales plans and minimize markdown and obsolescence risk
- Implementation of replenishment strategies based on inventory classification
- Definition of a Management Dashboard to provide visibility of key issues throughout the supply pipeline
- Implementation of a vendor scorecard, capacity dashboard and sourcing metrics to provide key sourcing metrics for buy decisions, vendor review and to support growth objectives
- Training and development of key supply chain personnel

Benefits Achieved:

- Workload reduction, supply chain visibility, activity prioritisation and streamlined processes
- Improved consistency in planning and training across individuals
- Better management of vendors through available scorecard
- Projected inventory reduction of \$100 M - \$122M within 6 - 12 months of project roll out

Cash Flow Delivered

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Selected clients in the Retail industry:

Abercrombie & Fitch

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“We were impressed with the people of REL; impressed with how they explained the various concepts involved, their emphasis on knowledge transfer, and their collaborative, team-oriented approach. REL proposed an approach that involved Cytec in every aspect of the effort, rather than doing everything with Cytec personnel watching ”

– Cytec

“REL brings in good professionals, who roll up their sleeves and start working with local teams to make things happen. They have a hands-on mentality and a no-nonsense approach. They are not like typical consultants who only give you plans to follow ”

– Philips

“REL stands out well -emphasis on implementation, work product and methodologies which are enabling us to realize the big picture. Tools developed are really going to change behavior and be used for a very long time ”

– Abercrombie and Fitch

“REL has been willing to tell us what we need to hear and not just what we want to hear, and I believe the company's straightforward approach will enhance our corporate value ”

– Sears

About REL

The returns on improving cash flow can be spectacular – a working capital management project can yield hundreds of millions in free-flowing cash. REL takes a holistic approach to reducing working capital and releasing cash through sustainable working capital improvements at the same time as balancing service, cost and risk. REL works with you to assess those activities that impact working capital; quantify the opportunity for improvement; and define the steps and activities required to realise the improvement opportunity and build the business case for change.