



CUSTOMER STORY

ECommerce Home Goods Retailer

Challenges

This Internet retailer was growing fast and outgrowing its planning system. It was taking a team of three planners roughly 100 hours a week to create a forecast and replenishment orders. They were also dealing with a growing assortment of SKUs, each with its own seasonality, demand pattern and supplier lead time. The onerous planning process was overwhelming and the team knew it was time to find a new planning system.

Industry

- Retail

Solution

- Demand Forecasting & Planning
- Inventory Optimization

Results

- Reduced forecasting errors by 50%
- Reduced 'unhealthy' distressed or aged inventory by 50%
- Increased inventory turns by 25%

Project & Objectives

The senior inventory planning manager for the retailer explains, "Before ToolsGroup, my team invested a colossal effort for a small payoff. Now the situation is reversed. The chief reason ToolsGroup frees up our time is that we now trust the output. This means we can spend more time looking at the genuine exception SKUs rather having to question everything."

ToolsGroup Service Optimizer 99+ (SO99+) has adapted well to the retailer's service objectives. We can now offer different service levels for different items rather than having one universal policy. SO99+ also recognizes that a bulk order of 12 units is different from a single order from 12 different customers. It uses this order-line level detail to dramatically improve forecast accuracy."

ToolsGroup also helps the retailer identify the best items for a popular two-day delivery program. Before this had been an arduous, manual process that its old system couldn't adequately support. The company plans to aggressively grow this popular program, which improves loyalty and satisfaction levels.



Before ToolsGroup, my team invested a colossal effort for a small payoff. Now the situation is reversed. The chief reason ToolsGroup frees up our time is that we now trust the output. This means we can spend more time looking at the genuine exception SKUs rather having to question everything."

Results

- Improved ability to handle high volumes, long-tail SKUs and extreme demand volatility
- Forecasting errors reduced by 50%
- 'Unhealthy' distressed or aged inventory reduced by 50%
- Inventory turns increased by 25%
- Dramatically cut forecast error
- Slashed planning time from 100 hours per week to 15, freeing up planning team to add value to other parts of the business

+ About ToolsGroup

Please visit our website at toolsgroup.com to learn more about how we are helping leading brands worldwide to improve their supply chain planning. © 2019 ToolsGroup. All rights reserved.