

CASE STUDY

SPOTLIGHT: Vendor Performance Management

Reducing Supply Chain Days by Optimizing the Purchase Order Lifecycle



An apparel and hard goods retailer with nearly 500 stores in the US and Puerto Rico was operating a sophisticated supply chain with four distribution centers located coast-to-coast. As is the case with many other retailers, vendor performance issues dramatically affected the velocity of their inventory movement, resulting in long ship windows, rising handling costs, and lower overall profitability.

THE CHALLENGE

Inaccurate supplier lead times resulted in unnecessarily long shipping windows, adding millions of dollars in safety stock and excessive supply chain days.

REAL-WORLD RESULTS

With the Traverse platform, the retailer:

- Removed eight days from their entire supply chain, a multi-million dollar savings.
 - Reduced inventory holding costs, freeing up open-to-buy money for merchant teams.
 - Gained increased visibility into their purchase order lifecycle, reducing complexity across their operations.
 - Contributed to an overall increase in profitability.
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Long ship windows and lowered profitability

The retailer utilizes a ship-to-mark for cross-dock strategy for its merchandise, creating a delicate balance that maximizes in-store availability while minimizing the inventory investment necessary to service their stores. The ability to flow merchandise from the vendor's docks through the retailer supply chain in a timely manner is absolutely critical to the retailer's success.

As is the case for many retailers, vendor performance issues greatly affected the velocity of the company's inventory movement. In addition to the normal quality issues retailers face – such as early and late shipments, carton labeling, and ASN timeliness and accuracy – the retailer was experiencing long ship windows.

Coupled with the challenge of non-defined fixed pickup and delivery schedules, long ship windows were driving up inventory value. These additional investments in inventory and rising handling costs negatively impacted the company's overall profitability.

“Once we started leveraging the Traverse Platform, the results were stunning. We took a full eight days out of our supply chain with no effect on our overall service levels, which represents a multi-million dollar savings. Additionally, the reduced holding costs are a benefit we will see for many years to come and frees open-to-buy money for our merchant team.”

Randy Vier, Former Vice President of Supply Chain

Leveraging the Traverse Platform, the retailer's supply chain team was able to quantify the overall length of their supply chain and identify where opportunities lay to reduce supply chain days.

With ready access to relevant data from across their organization, the retailer was able to conduct a comprehensive analysis of its vendors shipping patterns and confirm that lead times were unnecessarily long. The retailer brought together its inventory planning and merchant teams to focus specifically on replenishment merchandise and identify opportunities for improvement.

Optimizing with new insights

The Traverse Platform dramatically enhanced visibility into the retailer's entire Purchase Order Lifecycle, leading to greater supply chain efficiency and higher overall profitability. The data-driven insights generated by the Traverse Platform allowed the retailer to take a full eight days out of their supply chain without affecting overall service levels, a multi-million dollar savings! The resulting reduction in inventory holding costs represent a savings that would benefit the company well into the future and freed up open-to-buy money for the merchant team.

Powered by the Traverse Platform, the retailer's supply chain team was able to both monitor its vendors' overall supply chain performance and identify additional inventory reduction opportunities, which resulted in a more consistent, predictable, and profitable supply chain.

The Traverse platform transforms the operational center of any business from a cost center into a margin contributor.

✓ No Integration Needed

Our platform requires minimal data wrangling and zero integration to get started. You provision access to the necessary data, and we handle the rest.

✓ Reduce Supply Chain Days

A unified view of your supply chain performance presents opportunities for continuous improvement, resulting in a reduction in supply chain days.

✓ Out-Of-The-Box Collaboration Tools

Great supply chains depend on great partners. The Traverse platform includes tools to align your entire partner ecosystem towards meeting your goals.

✓ Automated and Manual Auditing

Our supply chain audit tools automate reporting and streamline communication with trading partners. Access a secure database for compliance information and create an unlimited number of manual and mobile audits.

✓ Business-Speed Performance Monitoring

Fully automate identification and reporting on events that disrupt the flow of merchandise and add avoidable costs that reduce overall profitability.

✓ Fortress-Level Data Security

We offer secure IT hosting of client applications and hardware, including foolproof backups of critical business data.



Build a more consistent, predictable, and profitable supply chain.

Contact Traverse Systems at: info@traversesystems.com.

ABOUT TRAVERSE SYSTEMS

Traverse Systems is an interdisciplinary team of supply chain professionals. Our platform drives a unified understanding of your entire supply chain.

Since 2000, we have served some of the world's most respected brands including CVS, Burlington Stores, Michaels, Tractor Supply, Kohl's and more. Our platform aggregates data from disparate systems and provides a holistic understanding of your operations so that nothing is left to chance.

Traverse Systems is proudly based in Sugar Land, Texas. To learn more, please visit: www.traversesystems.com.