Leveraging Data Intelligence

The company housed their unsold, aged, and returned products at their distribution center, mixed with new inventory. No process or system to identify and track the old inventory vs, the returns and new inventory existed. With a seasonal, high SKU count product line, this created waste of valuable warehouse space and invested capital was tied up with no sales plan. They needed visibility to utilize or clean this inventory. To recover cash and make room for current inventory.

Company Type
Design and Manufacturing

Location
Domestic w/ Global Distrubution

Speciality
Accessories

About Company

The accessory company is a domestic manufacturer with multinational distribution. It operates E Commerce, owned retail sales and wholesale sales through conventional retail customers. The company employs >500 employees in both Product Creation and Manufacturing.

Overview

101 Solutions was engaged to assist the organization in creating a process for consolidating and validating inventory counts and transforming this data into information which could then be reviewed by leaders and sales teams to develop a coherent strategy for maintaining and liquidating SKUs at their distribution center. 101 led the organization through the building and implementation of an internal database which consolidated the various inventory reports, contained an image library, and created "Sales Book" reports, a visual way for leaders and sales teams to review their inventory.

Challenges

The company had faced the common challenges of a high-growth stock driven organization, where rapid growth had given way to processes breaking, visibility diminishing, and silo'd teams that weren't coming together to achieve the goals of the overall organization, specifically around stock management and supply.

01. **Competing Priorities**

Different teams were involved in the sales, returns, and inventory processes and were focused on their own specific areas.

02. **Limited Resources**

The firm, like all organizations, had a limitation of dollars, people, and time that could be leveraged for initiatives.

03. **No Over-Arching Goals**

With a lack of process, they had gotten to where the individual teams felt like they were operating at a fairly high level, but the company as a whole was not optimized for maintaining and liquidating merchandise.

Listen And Eliminate

101 Solutions partnered to bring various departments together to integrate their data into usable information. Through this discovery, we met with stakeholders from all the functional areas needed to get returned and old product converted from inventory purgatory into cash.

We eliminated a constraint in this space, creating visibility and sales tools that led to the eventual elimination of the excess inventory at great margins.

Accelerating

Post disposal of excess inventory, we redesigned a process, with simplicity at it's core that would move items through the process without them ever entering the "dead zone" where things dropped from the saleable inventory.

The technology team and the sales team opened a new relationship, using our performance accelerators, that allowed them to have additional ideas of how they could work together for their customers.

Performing

Once implemented, the organization was able to group the inventory into 3 main categories. Out of the 5,000+ SKUs in inventory, over 3,000 had counts < 100, with the majority of them having counts <10. This represented an opportunity to clean out and reclaim some storage space while also gaining some goodwill through donations.

For SKUs with counts >= 1,000, by combining the data with images into a "Sales Book", some immediate insights were gained. Original thought was this would be moved at clearance pricing, but the "Sales Book" allowed them to see the potential for sets to be sold in specific markets and seasons for full price.

Reactivated Revenue from "Dead" Product of

$4.6 M at good margin and within a reasonable time frame.

Cleared Pick Space for New Inventory by

40% Resulting in improved focus on new-product sales

Approximate Hours Recovered

4,000 After the Warehouse was cleared of "Dead Inventory" to focus on New Inventory

Grouped Product Sku's Into

3 Parts To help focus on what matters vs a mass of data