

Case study

Forecasting, Replenishment,
Inventory Optimization,
Allocation, Supply Planning



Rapid Results via the Cloud

Results

- Successful rollout in 10 months
- Reduced inventory holdings and safety stock
- Improved forecast accuracy
- Improved process efficiency

Improved productivity

“I’m very happy to say that the reduction in inventory has been significant, about a 20 percent reduction in inventory holdings and safety stock. We’re continuing to pilot forecasting and replenishment in other business units and are realizing similar results. So, we’ve been really happy with that.” – **Programme Manager of Supply Chain and Inventory Management, Super Retail Group**

Challenges

- Founded in 1972 as a small auto parts business, today Super Retail Group is one of the largest leisure retailers in Australia, with more than \$2 billion in annual sales.
- Since 2005, the company has grown exponentially through a series of strategic acquisitions. While this rapid growth has added sales volume and brand strength, it has also resulted in enormous supply chain complexity. The company operated each brand as a separate division and by 2011 it was managing seven distinct supply chains, which spanned from sourcing in Asia to distribution in Australia and New Zealand.
- The huge, sparsely populated geography of Australia added another layer of difficulty to Super Retail Group’s supply chains, optimizing cost per unit and cost to move became critical.





- As an additional challenge, Super Retail Group also added more soft goods, which have different demand patterns than hard goods. The retailer needed a forecasting and replenishment solution that could handle its geographic difficulty, as well as the stock-keeping unit (SKU) complexity and demand variation across its seven retail brands.
- To counter these obstacles, executives at Super Retail Group made a bold commitment to invest more than \$50 million in supply chain and inventory management improvements over the span of three years.

Comprehensive cloud services

Within 10 months, the integrated forecasting and replenishment solutions were live, thanks to rapid cloud deployment with Blue Yonder cloud services. By launching in a cloud environment not only did the company speed up implementation, it minimized risks and financial investment.

“With Blue Yonder cloud services, we knew exactly what we were buying. There was a fixed price, and it was very easy to do. We trusted Blue Yonder Cloud Services because they are the experts. They’ve got a number of customers they’re rolling out. They are more proficient. That’s what they do, all day, every day, and that was an advantage to us.” – Solutions Manager for Supply Chain, Super Retail Group.

Solution Benefits

- One benefit of working with Blue Yonder cloud services was the ability to do a pilot. From a cost point of view, the cloud enabled Super Retail Group to easily get the infrastructure in place, conduct a pilot and see results.
- The success of the pilot was enabled Super Retail Group to create a business case for moving forward with a single demand and fulfillment system, operating in a cloud environment.

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- Not only has the cloud services model proven to be scalable across BCF’s enormous product diversity, it has also proven very reliable. The uptime has been near 100 percent, a critical factor given the large amount of data the retailer needs to move into Blue Yonder’s applications.

Continuous results

“We’ve made a significant shift in our organizational thinking and culture to become more customer-centric. That’s a key outcome that we’re looking for, and Blue Yonder enables us to have that capability. In time, we’ll be getting the right feeds and visibility from the customer groups and the loyalty programs, and that data will feed into our demand planning capability.” –Programme Manager of Supply Chain and Inventory Management, Super Retail Group

Why Blue Yonder

“When we need to upgrade versions or software packages, it is as simple as communicating with the Blue Yonder cloud services team. Then it just happens. We’ve found the cloud approach to be seamless, very quick and nonintrusive on our other business processes. Blue Yonder is very proactive in monitoring activity and communicating with us.” – Solutions Manager for Supply Chain, Super Retail Group

 Luminate Planning

