

Case study

Merchandise Financial Planning and Allocation

# DSW<sup>®</sup>

## DSW Makes Every Foot Count with Optimized Fixed Store Capacities

### Results

- Increased sales and margins
- Lowered inventory levels
- Improved buyers' productivity and efficiency

### Real progress

“We established a much more robust planning system that goes all the way down to the subclass level, measuring performance in both dollars and units. As a result, we are much more capable of controlling our sales, inventory and forecasting. That has significantly improved our margins,”  
- **Vice President of Planning & Allocation, DSW.**

### Challenges

- Previously a close-out retailer, DSW evolved into a large footwear specialty retailer in the mid-2000s. Stores average over 20,000 square feet and feature approximately 24,000 pairs of shoes and accessories. While this format seems large, the fixed capacity of its branded locations has created a strategic challenge.
- The leading U.S.-based retailer's existing supply chain processes and technology tools only focused on the highest levels of the business and overall metrics. With limited backrooms to keep excess merchandise, assortment management must be kept to an exacting degree for each market.
- “Previously our planning was done in dollars, and it was done at the department level. We saw a real opportunity to drop down to a deeper level planning solutions and realize significant benefits” - Vice President of Planning and Allocation

### Business advantage

“Blue Yonder has provided us with technology capabilities that are robust enough to manage the complexity of our supply chain, while also supporting our critical business processes,” - Vice President of Planning & Allocation, DSW.





## Proven solution

- To support both financial and merchandise planning, DSW implemented a state-of-the-art Blue Yonder retail solution. Able to align planning, assortment allocation and pricing, DSW can project the right inventory levels, keep stores optimally stocked and purchase the right products, even the right mix of shoe sizes.
- “We went from having a mosaic of Excel worksheets, Access databases and numerous other independent pieces of technology to relying on a unified set of solutions that are customized to our unique business needs,”- Executive Vice President of Supply Chain, DSW

## Future outlook

With such impressive results, DSW plans to implement additional solutions over the next few years.

“I feel strongly that, as a result of the solutions we’ve used, we have significantly improved our business over the past three years in a time when the economy was really tough. While most retailers really struggled through the past two years, we have had significant increases in our business. We’ve had increased sales, lower inventory and increased margins. A lot of the success that we have had, in addition to our great merchants who buy a great product, is due to the

solutions and our ability to get efficiencies and productivity out of those tools. Based on that success, we’re excited about what the future holds,”  
- Vice President of Planning & Allocation, DSW.

## Blue Yonder delivers

Seeking a long-term partner and just the right toolkit to manage systems, DSW leadership relied on proven experiences.

“They had been a tremendous partner to me in the past, and the flexibility of the Blue Yonder solutions allowed our team to customize those tools to accommodate our processes,”  
- Vice President of Planning & Allocation, DSW.

 Luminate Commerce

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