NUTC: Fight for the Last Mile

Omnichannel: It’s not just for the front end anymore
10/29/13
Revolution
Intensifying Pressures on Growth & Margin

Sourcing Shifts

Global Economy

Hyper Competition

Accelerating Consumer Options

Transparency & Sustainability

Regulatory Compliance

Technology & Infrastructure

Raw Materials Costs
The Retailer Response

A diverse set of priority initiatives and methods

- Planning
- Enterprise Integration
- Consumer Engagement
- Supplier Collaboration
- Cloud
Some key trends around retail transformation

- Enable Omnichannel strategies
- Penetration on private label
- Upgrade inefficient technology
- Expand global store footprint

*IBM Institute for Business Value
The Moment Of Truth

Right Journey, Wrong Route

- We are at an inflection point and Retailers cannot adapt fast enough. *The prevailing trends for operational and collaboration models are not working.*
The Omni-Channel Challenge

Explosive adoption focuses on engagement

Marks & Spencer spends $400 million on web projects
The U.K. chain tests free Wi-Fi in stores and giving staff iPads.

RIS News/Gartner Retail Tech Study 2012
The Omni-Channel Value

But are we meeting expectations?

“Only 10 percent have achieved a desired level of integration between retail stores and direct to consumer fulfillment operations.”

– RILA State of Retail Supply Chain Report 2012
Omni Channel Visibility: The Problem

Retailers are struggling to meet customer expectations across all channels due to lack of end-to-end inventory visibility

Issues

- Consumers want to buy product at the time, place and price most convenient to them
- Consumers get disappointed when goods are out of stock or incorrectly promised delivery
- Inaccurate inventory or lack of visibility create the need for inventory buffers to protect the sale
- Lack of cohesive systems inhibit cross channel visibility and effective use of inventory
- Lack of extended visibility from planning, purchasing, factory floor to goods in-transit create “black holes” of inventory making it difficult to accurately promise availability.
Gain visibility across the extended supply chain at the lowest level

1) Collaboration among a diverse group of supply chain partners through seamless flow of information
2) Inventory visibility and availability of item/SKU from production to consumer
3) Ability to promise and accurately respond to changing customer demand

A solution that can be used by sales/inventory management / customer service to:

- Dynamically allocate based on changing customer demand
- Adjust order volumes based on real-time data
- Adjust production midstream to push ‘hot’ SKUs or adjust big ticket items
Solution Value Drivers

Higher fill rates and reduced out of stocks with improved multichannel visibility
- Accurate item-level carton details provide “where are my goods” data
- Production reports and Factory floor visibility into production & scan and pack
- Shipment notifications and milestones provide item level visibility & dynamic ETAs
- Capture on-hand at DCs & stores to establish complete cross-channel inventory, integrate w/eCommerce and Order Management Systems for Available to Promise information

Reduced mark downs and need for excess buffer inventory
- Accurate inventory across the supply chain; On-Hand and On-Order
- Optimal inventory investment and allocation

Increase service levels and customer satisfaction
- Ability to fulfill customer demands
- Prevent lost sales

Customers managing on time delivery on the GT Nexus platform

RESTORATION HARDWARE    adidas    WILLIAMS-SONOMA, INC.
On-Hand Visibility

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2370020 Sub Total

GT NEXUS ™
The New Essentials

- Customer engagement, retention and loyalty
- A strategy for the perfect inventory
- Processes that drive operational excellence
- Orchestration with the extended enterprise
- A radically different approach to technology

Taking care of your tactical gaps of today while continuing to innovate for growth
The perfect inventory flow

- Goods and money balanced for velocity, volume, and direction
- A holistic understanding of total value chain productivity
- Anticipate disruption & risks and be confident in adaptability
- Optimize the entire supply ecosystem to create a sustainable model of your supply network to meet today’s customer expectations
The New Essentials

Trade orchestration and the extended enterprise

- Precision retailing for coordination and inventory deployment
- Set new standards for flexibility and agility
- Seamless sourcing and fulfillment fit to strategy
- A collaborative network enabling communities of partners
- Extensible and adaptable supply chain eco-system
THANK YOU

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