

Hibbett Sports

The Company

Headquartered in Birmingham, Alabama, Hibbett Sports is a leading operator of retail stores for a full line of athletic equipment, footwear and apparel. With over 800 stores in 26 states, Hibbett Sports earns a gross annual revenue in excess of \$1 billion (NASDAQ: HIBB).

The Opportunity

Due to expanding store growth and a relentless focus on customer service, Hibbett Sports needed to develop a supply chain strategy that improved the flow of merchandise from source to consumption. More specifically, Hibbett Sports was interested in ways to increase the velocity of inventory through their supply chain while also evaluating alternative allocation strategies (push vs. pull) to better service their stores. The ultimate goal was to reduce stock-outs and drive increased comp sales. In addition, Hibbett wanted to develop a four-wall strategy that aligned the new allocation strategies with their DC processes.

enVista's Solution

From enVista's experience, an optimal retail supply chain strategy delivers the right merchandise and the right quantity, to the right store at the right time. Retailers must find the optimal push-pull boundary while maximizing gross margin and ensuring the lowest total cost to serve.

Based on its business goals, Hibbett engaged enVista to conduct a supply chain network analysis and design. enVista uniquely begins each network design project by first analyzing the customer. enVista studied Hibbett's product allocation, open-to-buy methodology and inventory holding strategy (location and quantity). Next, enVista compared that strategy to store demand patterns across the various regions of the country. enVista was

able to determine that the current push methodology (where product was pre-allocated to stores) was not only causing inventory problems at store locations, such as out-of-stocks and inter-store transfers, but was also increasing the fulfillment time on store replenishment orders.

Together, enVista and Hibbett Sports have developed an optimized supply chain strategy that will enable Hibbett to shift their current allocation strategy to a balanced allocation strategy based upon merchandise category and season. Additionally, enVista recommended that Hibbett take control of inbound vendor freight off of the West Coast by utilizing a logistics service hub. This will help Hibbett to increase freight density and reduce time-in-transit to their distribution center.

In order to support this new source-to-consumption, retail supply chain strategy, Hibbett Sports needed to:

- Fully execute the new allocation strategy
- Finalize pool-point to store re-alignment
- Resize their private fleet and reposition assets to support speed-to-market
- Implement a new carrier network to handle last mile store deliveries

The Results

By understanding supply and demand variability and the total cycle time to service stores, Hibbett Sports is transforming their supply chain to synchronize supply with demand, while emphasizing speed to market. Speed reduces variability in the supply chain, therefore improving in-stock percentage and reducing work in process inventory and safety stock. More importantly, speed leads to improved store service, making it a slam dunk for everyone involved.



"enVista looked at our supply chain through the eyes of our customer and asked the right question. For us, it was, 'How do we improve service to our stores?' At Hibbett, it is always about providing excellent customer service. enVista's solution enables us to create a unique customer experience and exceed our customers' expectations."

Jeff Rosenthal
CEO and President, Hibbett Sports

For more information on enVista's Supply Chain Solutions, please call 877-684-7700 or contact inforequest@envistacorp.com