

enVista services

Retail Supply Chain Network Analysis & Design



Your supply chain should be able to constantly adjust and improve its omni-channel capabilities to build and maintain a competitive edge while decreasing costs.

This is the best time in the history of the world to be a customer. Customers have the option of buying merchandise from multiple channels, sourced from across the world, from a selection of fulfillment options to achieve the experience of their choice. The good news is that this environment provides retail supply chains an opportunity to help their company compete and differentiate in new and innovative ways.

The challenge of today's retail environment is that it can strain traditional supply chains in several ways, such as how to:

- Manage omni-channel fulfillment across a variety of types of locations
- Manage freight costs while ensuring rapid delivery
- Handle increased returns through various channels
- Supply each channel with inventory while not increasing inventory holding costs
- Tackle increased volumes (spikes) in shorter timeframes

The Benefits of Supply Chain Network Analysis & Design

The most common ingredient in the retail market is change. As retail continues to evolve and as your business grows, your current challenges are likely to grow in size and new issues will emerge.

It's important to plan long-term with an eye toward agility and the recognition that customer expectations will likely increase and competitors will likely become more capable. Your supply chain should be able to constantly adjust and improve its omni-channel capabilities to build and maintain a competitive edge while decreasing costs.

Adapting a supply chain to changes in the market is never easy. Retail supply chains are tightly integrated into the overall business, from marketing to factories. A change in one area creates downstream effects in another. If you change the inbound freight time then that affects allocation and inventory position. The interconnectedness of retail supply chains is the reason a comprehensive supply chain design is the most effective way to adapt a supply chain. An effective design will enable your supply chain to:

- Optimize total supply chain costs while also optimizing appropriate service levels
- Enhance the competitive position of your company
- Maximize gross margins by improving inventory utilization
- Develop new omni-channel capabilities
- Provide increased flexibility

- Reduce lead time variability
- Increase visibility
- Minimize issues created with new omni-channel environments

We Start with Your Customers

Any retail supply chain design must look forward to the future as technology and customer expectations evolve. Because delighting your customers is paramount to your success, enVista's Retail Practice both analyzes your supply chain and develops supply chain strategies that start with your customers. We track demand patterns and then work back through allocation through the point of production. All of your many complex interdependencies are evaluated to ensure a network design delivers optimal outcomes.

Supply Chain Network Modeling Is Key

At enVista, we believe the optimal supply chain provides the right merchandise, at the right quantity, to the right

channel, at the right time, at the lowest supply chain cost, thus maximizing gross margin. Determining the optimal state requires sophisticated technologies and techniques specific to your company situation. Using best of breed network modeling tools, we analyze current and forecasted sales growth (demand points) and relevant logistics data and compare them to several data-driven design opportunities to determine the optimal option for your business. We also review inventory positioning to ensure inventory is in the right place at the correct levels based on demand variability and supply. Our consultants analyze several scenarios and options for clients to review.

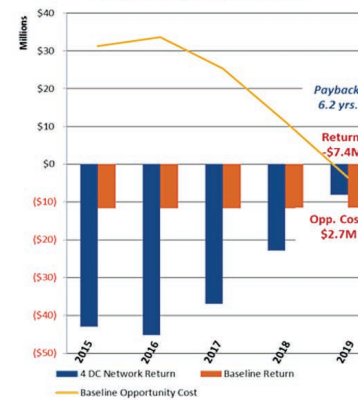
enVista provides detailed analysis needed for key network decisions such as:

- Total costs for each identified scenario
- Labor analysis
- Technology assessment
- Tax and site analysis
- Facility capacities
- Opportunities for efficiency gains

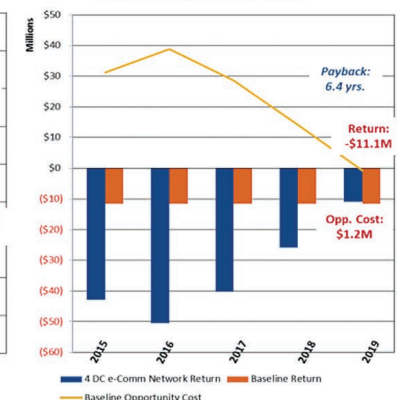
5 Year Cumulative Operating Spend Comparison



3 DC Brand Centric Evaluation
50% of Projected Growth



e-Commerce Centric Evaluation
50% of Projected Growth



Following a supply chain network analysis and design, our strategy team will provide a roadmap for your company that serves as the plan for your supply chain for the next five years to include labor, capital, transition costs, service levels and inventory.

Contact us today to learn more.

A Partner with Deep Expertise and a Breadth of Experience

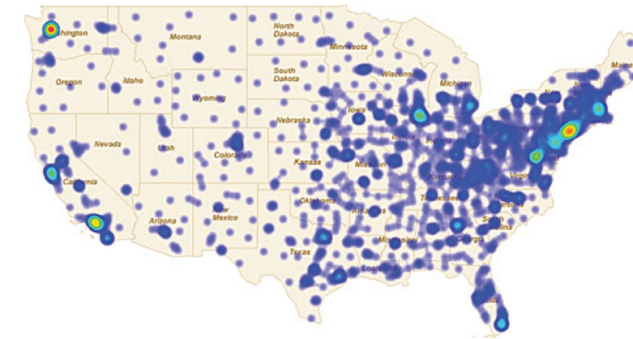
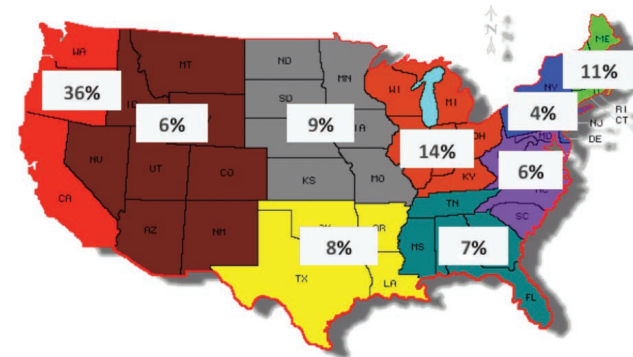
enVista has unique capabilities in supply chain design with teams that bring deep expertise across transportation, inventory management, workforce management and facility design/build, among a host of other critical services. Our team also brings significant operations expertise managing retail supply chains. This deep retail supply chain experience ensures that we design accurate and practical supply chains that holistically address your business to maximize results that enhance competitive advantage and reduce costs. We design supply chain networks that improve customer service levels while reducing costs in distribution, transportation and inventory.

The Take Aways

Following a supply chain network analysis and design, our strategy team will provide a roadmap for your company that serves as the plan for your supply chain for the next five years to include labor, capital, transition costs, service levels and inventory.

enVista's strategy team will answer key questions for your company, such as:

- How will your supply chain help your company compete in the future?
- What balance of service, cost and visibility is possible over the next several years?
- How can your organization either increase or optimize capacity to achieve that balance?
- How can you increase supply chain flexibility to deal with disruptions or changes to demand?
- What are the optimal numbers, locations and capacities of suppliers, plants and production lines and processes?
- What are the right numbers, locations and sizes of distribution centers, cross docks, branch warehouses, etc.?



- What are the optimal transportation modes and lanes based on demand? What equipment is required, taking into account fuel and energy consumption?
- What is the best way to assign customers and products to distribution centers?
- How do changes to production and distribution capabilities impact cost and service?
- Which fulfillment strategy(ies) and replenishment/stocking strategies are best for my market and targeted customers?
- How can we reduce our total cycle time from production to in store/online availability?