

V

WE



“The main driver of succes for the WE Supply Chain was the Vivacadena Project.”

Koen Aben | Vice Director Information Services, WE Europe



V WE



COMPANY PROFILE | WE Europe is a fashion retailer

219 stores in six countries in Europe; different store formats (men, woman, kids); different requirements per country; stores differ in size and sales patterns.

PROBLEM ANALYSIS | complexity in the supply chain drives inefficiency

- long planning cycles and high diversification cause imbalance in the supply chain
- despite strong overall planning, sales show both heavy markdowns and high inventory-outs

THE CHALLENGE | increase profit by creating a better match and quicker response to customer demand

- decrease lead times in the supply chain
- improve product availability in stores without increasing inventory levels
- use and measure unmistakable KPI's across all points of contact
- realize responsive supply chain processes

INTRODUCTION OF VIVACADENA | enables:

- leverage on the aggregation of inventory: pre-season planning dominates the supply chain from suppliers to European Distribution Centers (push); actual sales at store level drives replenishment demand from the stores to the EDC (pull)
- lead-time reduction: daily ordering and frequent replenishment rather than (two) fixed supply times
- integrated measurements: introduction of uniform operational KPI's with a focus on lost sales reduction and increased inventory turnover (monitored per SKU/ Location/Day)
- eliminate oscillation: retrieve transaction information directly from the store's cash register to drive true, instead of estimated demand
- improve efficiency of daily operations: professionals can focus on exceptions since the system deals with 80% of replenishment requirements automatically

RESULTS | substantial improvements directly related to responsive supply chain, with:

- revenue increase and considerable reduction of lost sales
- increased inventory turnover
- higher margins due to significant decrease markdowns
- complete roll out to all stores and formats
- new pilot for responsive supply chain with suppliers to EDC

BUSINESS CASE

