



# Distribution Network Analysis

Large department store chain partnered with Bricz to perform an assessment of the current state supply chain landscape and provide recommendations for its future state network.

The retailer operates and supports a vast store and eCommerce network across the United States through a network of 13 distribution centers. The systems landscape consisted of 45+ systems with variations to support both store and online channels. Many of these systems had reached obsolescence or near to it, causing operational and maintenance risk. The retailer was looking to undergo a large-scale network update and needed to understand the implications of the landscape as it currently exists.

The Bricz team was able to provide an assessment of the current state supply chain network along with recommendations to modernize the landscape.

Some of the Bricz recommendations included:

- Creating a single view of inventory across channels
- Performing an inbound shipment assessment
- Consolidating multiple distribution channels into a single, Omni-channel network
- Evaluating the current store distribution (put-to-store) strategy
- Considerations to compete against pure play eCommerce giants

## Objective:

Document the current supply chain landscape and provide actionable recommendations to determine the future state supply chain network

## Systems:

- Multiple legacy WMS systems
- Multiple Tier 1 WCS systems

## Results:

- Documentation of current state supply chain network
- Analysis of a complex distribution landscape
- Identified opportunities and provided recommendations to drive efficiencies

# Bricz Analysis & Recommendations

## Single View of Inventory

While the retailer understood that its modern customers want flexibility, product differentiation and competitive pricing, they were uncertain how best to execute on these needs.

The Bricz team recommended incorporating Omni-channel methods to engage with the customer like buy online pick up from store (BOPIS), store fulfillment, and buy online return in store (BORIS).

Bricz also recommended implementing a single view of inventory to provide a unified fulfillment strategy and create a competitive advantage in the Omni-channel landscape.

## Inbound Shipment Assessment

The retailer traditionally used import consolidation to receive product from its vendors and then ship to its store fulfillment and eCommerce centers.

The Bricz team presented a plan for the retailer to run simulations to determine if the import consolidation was needed or if inbound shipments could be directly received by the store fulfillment and eCommerce centers. This would result in a smaller inbound consolidation operation and less product touches.

## "One Building"

The retailer supports both retail and eCommerce distribution in most distribution centers, but these functions were handled separately resulting in multiple product touches within the network.

Bricz worked with the retailer to develop a plan that eliminates product touches within the DC by utilizing the real estate as "one building" that supports both channels seamlessly. This plan would also offer better customer service and create labor efficiencies within the four walls.

## Store Distribution (Put to Store) Strategy

The Bricz team evaluated the current store distribution strategy the retailer was executing. After analyzing the strategy, Bricz recommended performing a simulation assessment for multiple methods including unit sortation and put-to-light.

The Bricz team also explored other options to increase the efficiency of the store distribution strategy including the introduction of multiple put-to-light stations and robotic induction for the retailer's Bombay sorter.

Ultimately, Bricz provided the retailer with a recommendation to allow for faster sorting by department and a streamlined store distribution process.

## Competing against eCommerce giants

The retailer, like most today, is facing pressure from pure play eCommerce giants in areas like shipping costs and returns.

Bricz helped the retailer understand technology and process investments that allow them to compete in today and tomorrow's landscape.

One of the options explored was a practical back up plan that sources urban real estate through acquisitions and partnerships to facilitate a lower, last-mile delivery cost and easier returns processing.

### Systems

- The retailer's systems had originally been implemented to support process requests piecemeal rather than taking a holistic approach.
- The Bricz team helped the retailer understand their supply chain transformation opportunities.
- Bricz recommended the retailer evaluate implementing a modern WMS or building a cloud native WMS in-house to create a competitive advantage.

### Data

- After the assessment, Bricz recommended the retailer engage in a data analysis project to define, evaluate, and establish key goals for their supply chain transformation.
- The data analysis project would enable the retailer to better understand the data behind their supply chain and make data-driven decisions for their supply chain transformation.

### Processes

- The retailer, like many today, had established processes that remained status quo for a prolonged period.
- The process improvement focus had been looked at with a microscopic, isolated view rather than understanding the big picture.
- The Bricz team recommended establishing higher-level process goals and understanding the "why" for specific processes.