

Client Challenge

The client is a \$2.8+ billion specialty retailer and direct marketer of hunting, fishing, camping, and related outdoor merchandise. They struggled with lower-than-acceptable retail service levels and areas of chronic out-of-stocks. These challenges were driven by managing products incorrectly in the replenishment system, a flawed methodology for slow-selling items, and an inability to forecast products with erratic demand.

The client first wanted to ensure all products were managed by the appropriate system, either allocation or replenishment. The retailer also sought to identify opportunities relative to systems, processes, and business rules to improve the company's sales and customer service levels significantly.

Parker Avery Solution

The Parker Avery Group partnered with the client over nine weeks to identify areas of improvement across allocation, replenishment, and fulfillment:

- Examined process, timing, tools, and roles to recommend alternative approaches
- Assessed the client's fulfillment capabilities against industry practices and identified specific challenges
- Outlined improvement initiatives to address the challenges identified by the gap assessment
- Prioritized the improvement initiatives according to impact and complexity
- Developed a capabilities roadmap to implement the identified initiatives
- Developed the business case and ROI associated with each initiative

RESULTS



CAPABILITIES
ROADMAP
DEVELOPED



MARGINS
IMPROVED*



INVENTORY
COST
REDUCED

**Expected*

As a result of the project and capabilities roadmap, the client anticipated EBITDA improvements of \$25-\$30 million attributed to increased margin from the recovery of lost sales, reduced inventory carrying costs, and reduced supply chain costs.

Within the first three months, the client reduced inventory levels by \$3 million while maintaining its service level objectives.