



# NUTC: Fight for the Last Mile

Omnichannel: It's not just for the front end anymore

10/29/13

Revolution

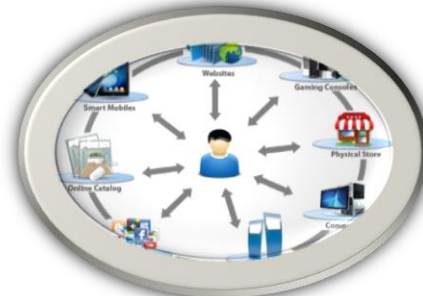
# Intensifying Pressures on Growth & Margin



Sourcing Shifts



Hyper Competition



Accelerating Consumer Options



Global Economy



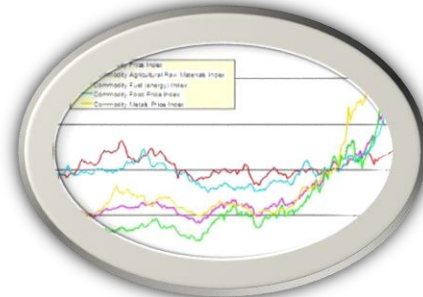
Transparency & Sustainability



Regulatory Compliance



Technology & Infrastructure



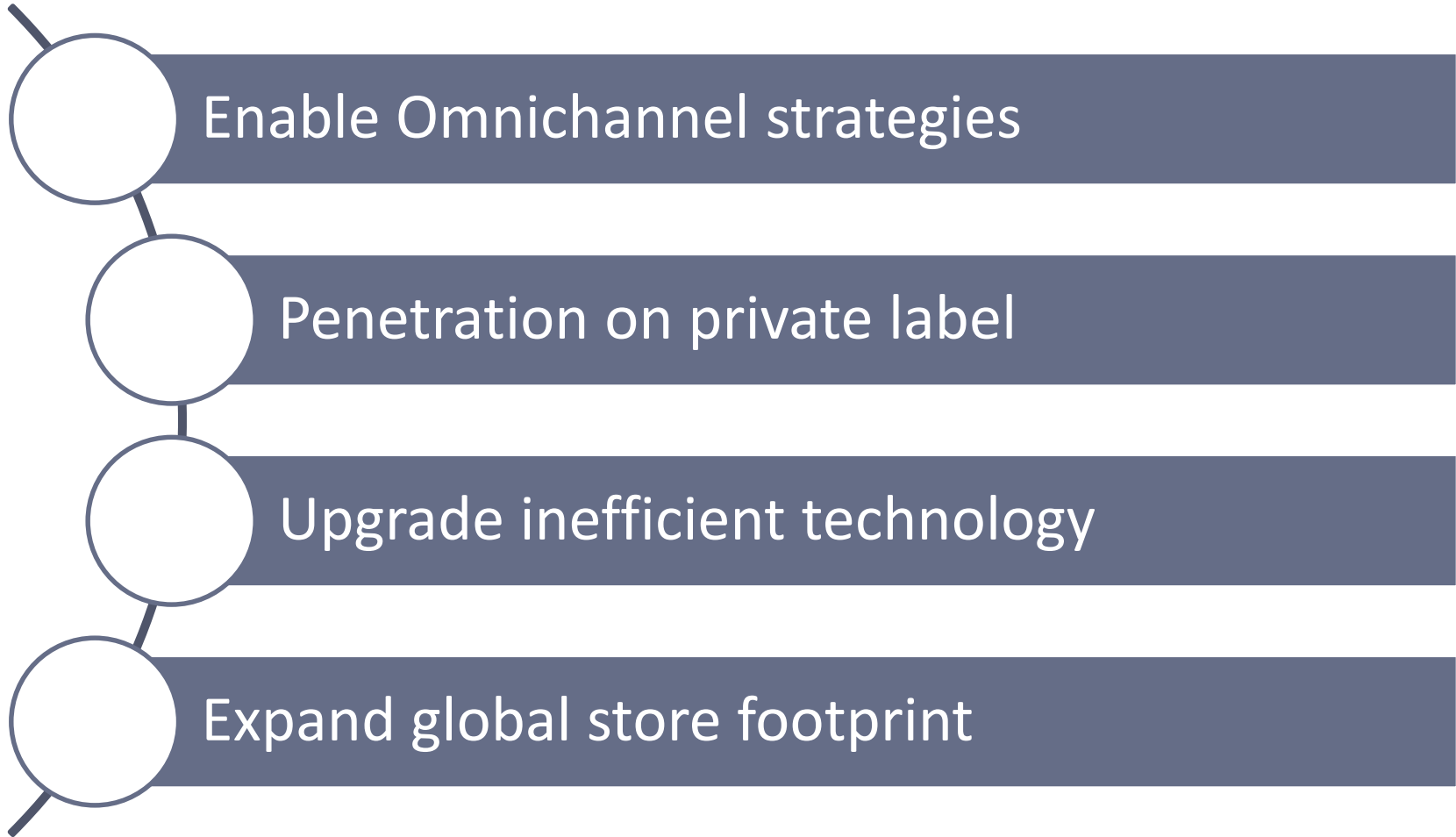
Raw Materials Costs

# The Retailer Response

A diverse set of priority initiatives and methods



# Some key trends around retail transformation



\*IBM Institute for Business Value

## Right Journey, Wrong Route

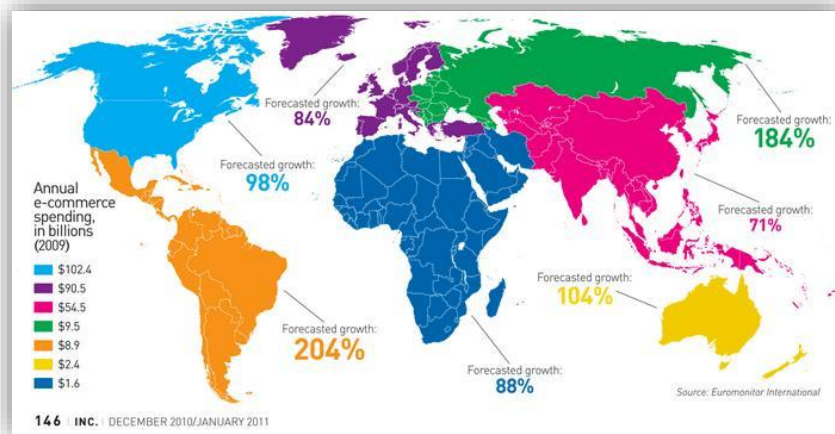


- We are at an inflection point and Retailers cannot adapt fast enough. *The prevailing trends for operational and collaboration models are not working.*



# The Omni-Channel Challenge

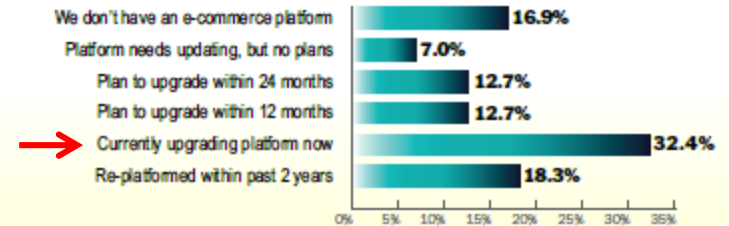
## Explosive adoption focuses on engagement



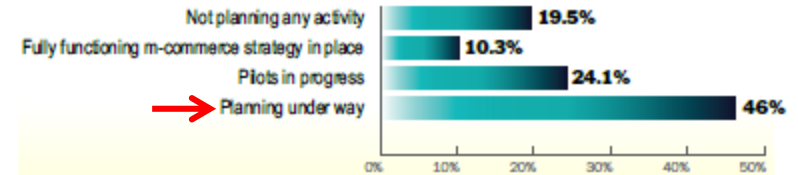
## Marks & Spencer spends \$400 million on web projects

The U.K. chain tests free Wi-Fi in stores and giving staff iPads.

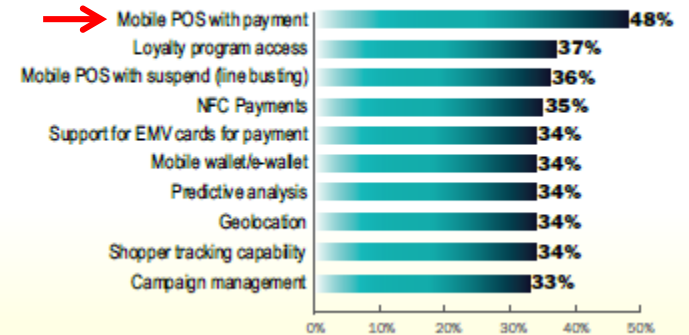
### STATUS OF E-COMMERCE PLATFORM



### STATUS OF MOBILE COMMERCE STRATEGY

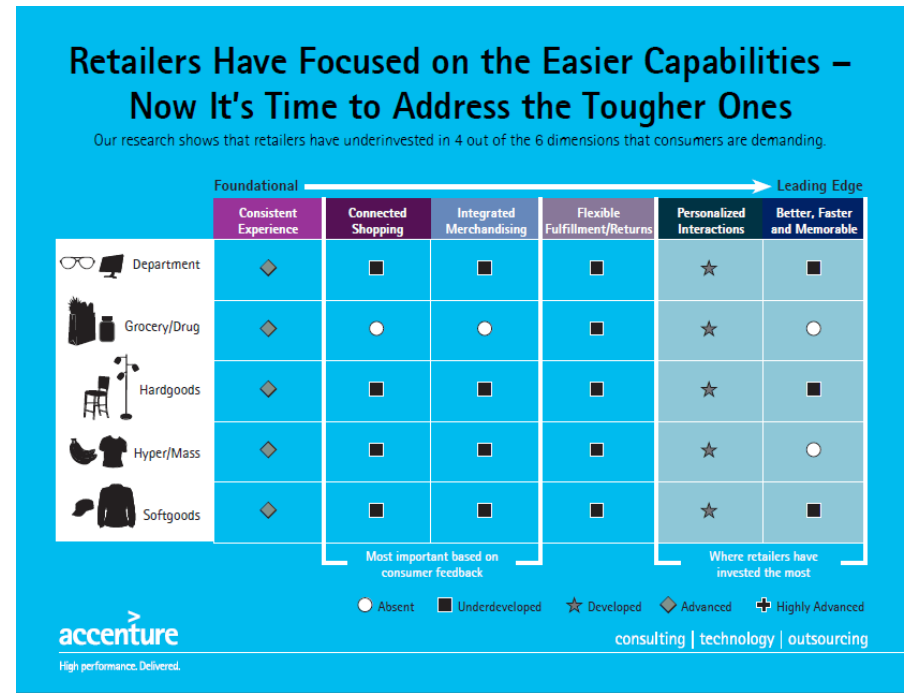
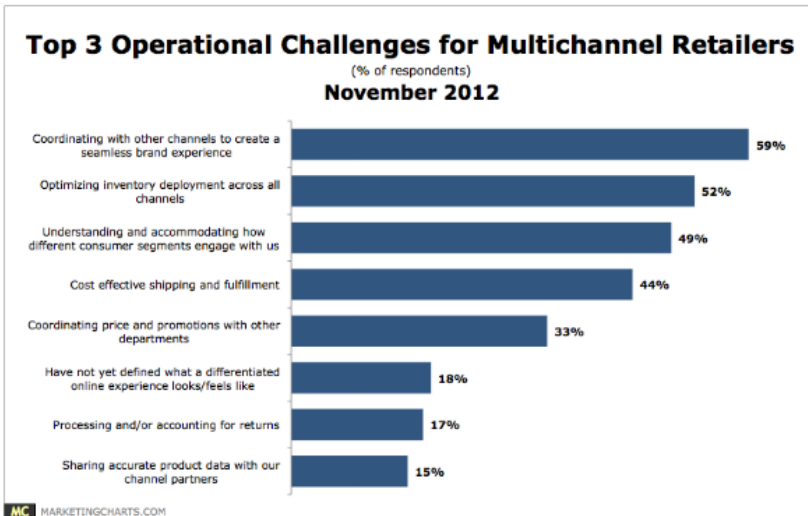


### TOP TECHNOLOGIES FOR 2012



RIS News/Gartner Retail Tech Study 2012

## But are we meeting expectations?



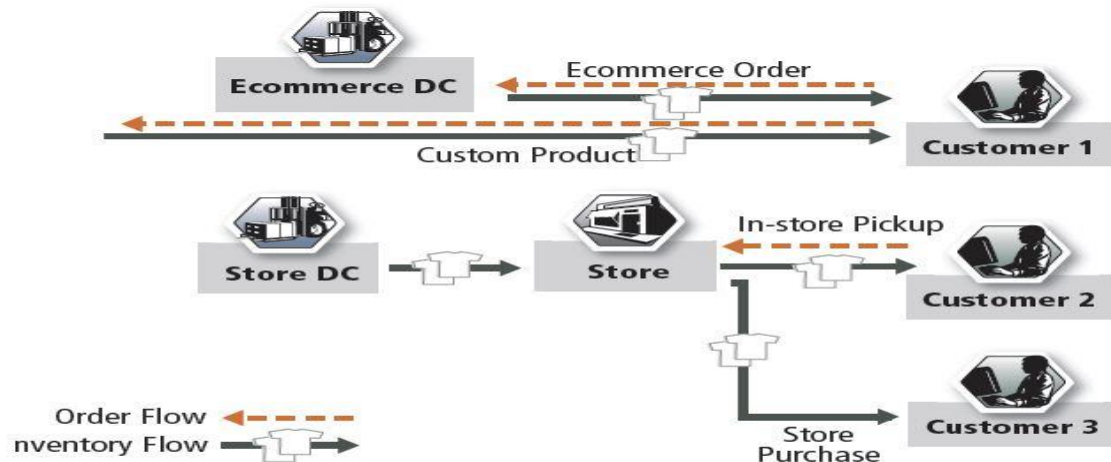
“Only 10 percent have achieved a desired level of integration between retail stores and direct to consumer fulfillment operations.”

– RILA State of Retail Supply Chain Report 2012



# Omni Channel Visibility: The Problem

Retailers are struggling to meet customer expectations across all channels due to lack of end-to-end inventory visibility



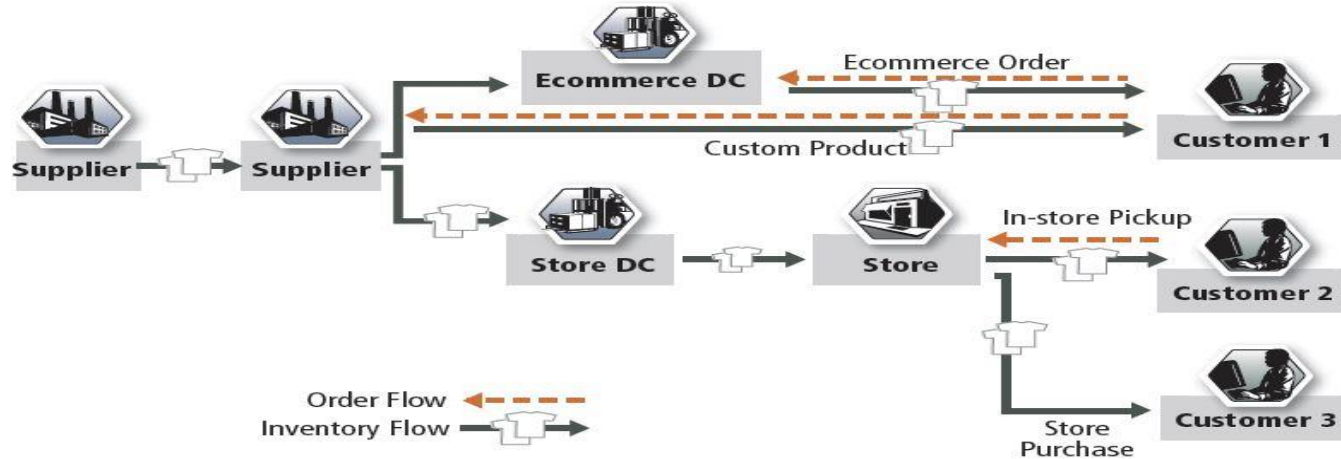
A retailer that can't see its inventory will struggle to meet demand from multiple channels.

## Issues

- Consumers want to buy product at the time, place and price most convenient to them
- Consumers get disappointed when goods are out of stock or incorrectly promised delivery
- Inaccurate inventory or lack of visibility create the need for inventory buffers to protect the sale
- Lack of cohesive systems inhibit cross channel visibility and effective use of inventory
- Lack of extended visibility from planning, purchasing, factory floor to goods in-transit create "black holes" of inventory making it difficult to accurately promise availability.

# Omni Channel Visibility: The Solution

## Gain visibility across the extended supply chain at the lowest level



Online or in-store, the customer buys a product and the system gets it to them in the most efficient way possible.

- 1) Collaboration among a diverse group of supply chain partners through seamless flow of information
- 2) Inventory visibility and availability of item/SKU from production to consumer
- 3) Ability to promise and accurately respond to changing customer demand

A solution that can be used by sales/inventory management / customer service to:

- *Dynamically allocate based on changing customer demand*
- *Adjust order volumes based on real-time data*
- *Adjust production midstream to push 'hot' SKUs or adjust big ticket items*

# Solution Value Drivers

## Higher fill rates and reduced out of stocks with improved multichannel visibility

- Accurate item-level carton details provide “where are my goods” data
- Production reports and Factory floor visibility into production & scan and pack
- Shipment notifications and milestones provide item level visibility & dynamic ETAs
- Capture on-hand at DCs & stores to establish complete cross-channel inventory, integrate w/eCommerce and Order Management Systems for Available to Promise information

## Reduced mark downs and need for excess buffer inventory

- Accurate inventory across the supply chain; On-Hand and On-Order
- Optimal inventory investment and allocation

## Increase service levels and customer satisfaction

- Ability to fulfill customer demands
- Prevent lost sales

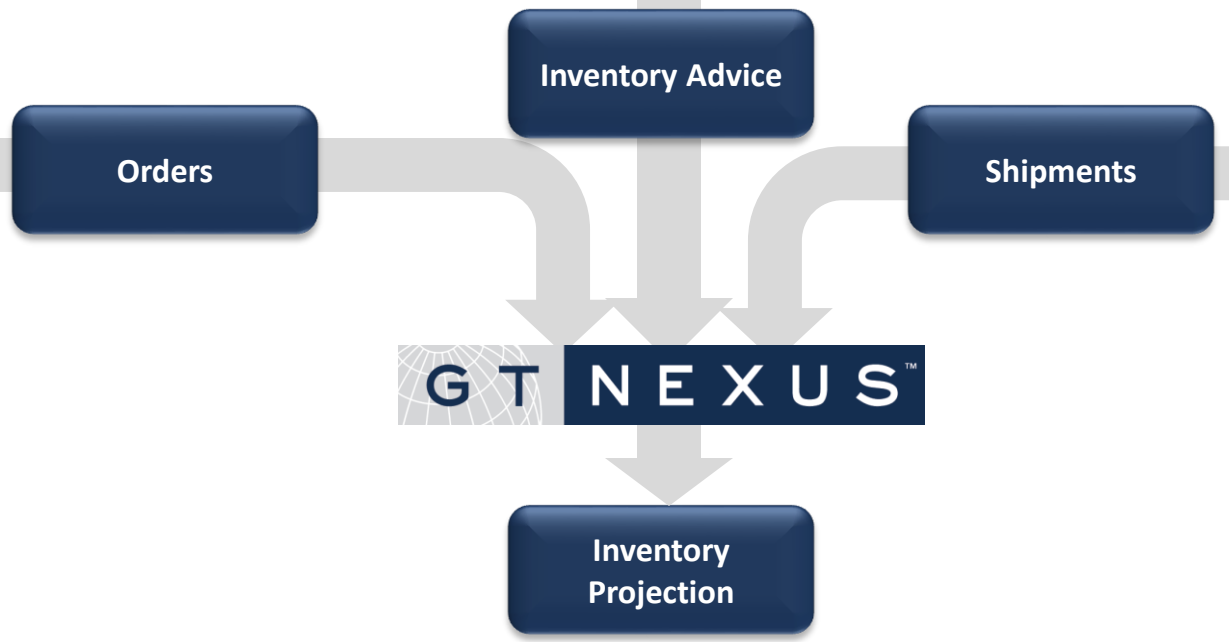
Customers managing on time delivery on the GT Nexus platform

RESTORATION HARDWARE

adidas

WILLIAMS-SONOMA, INC.

# On-Hand Visibility



Promo Code	Final Dest	Supplier	Country	On Order	In Prod	At Origin	In Transit	In Customs	Inland	Delivered	On-Hand	Total
<a href="#">View</a> ▶ Fall Package	Tracy DC	Supplier 1	US	<a href="#">100</a>	<a href="#">250</a>	<a href="#">0</a>	<a href="#">250</a>	<a href="#">0</a>	<a href="#">0</a>	<a href="#">300</a>	<a href="#">1,000</a>	1,900
<a href="#">View</a> ▶ Fall Package	Tracy DC	Supplier 2	US	<a href="#">100</a>	<a href="#">400</a>	<a href="#">0</a>	<a href="#">0</a>	<a href="#">0</a>	<a href="#">0</a>	<a href="#">400</a>	<a href="#">500</a>	1,400
<a href="#">View</a> ▶ Fall Package	Tracy DC	Supplier 3	US	<a href="#">0</a>	<a href="#">300</a>	<a href="#">0</a>	<a href="#">300</a>	<a href="#">100</a>	<a href="#">0</a>	<a href="#">0</a>	<a href="#">400</a>	1,100
<a href="#">View</a> ▶ Fall Package	Tracy DC	Supplier 4	US	<a href="#">0</a>	<a href="#">250</a>	<a href="#">0</a>	<a href="#">500</a>	<a href="#">50</a>	<a href="#">0</a>	<a href="#">0</a>	<a href="#">700</a>	1,500
<b>2370020 Sub Total</b>				<b>200</b>	<b>1,200</b>	<b>0</b>	<b>1,050</b>	<b>150</b>	<b>0</b>	<b>700</b>	<b><a href="#">2,600</a></b>	<b>5,900</b>

## The New Essentials

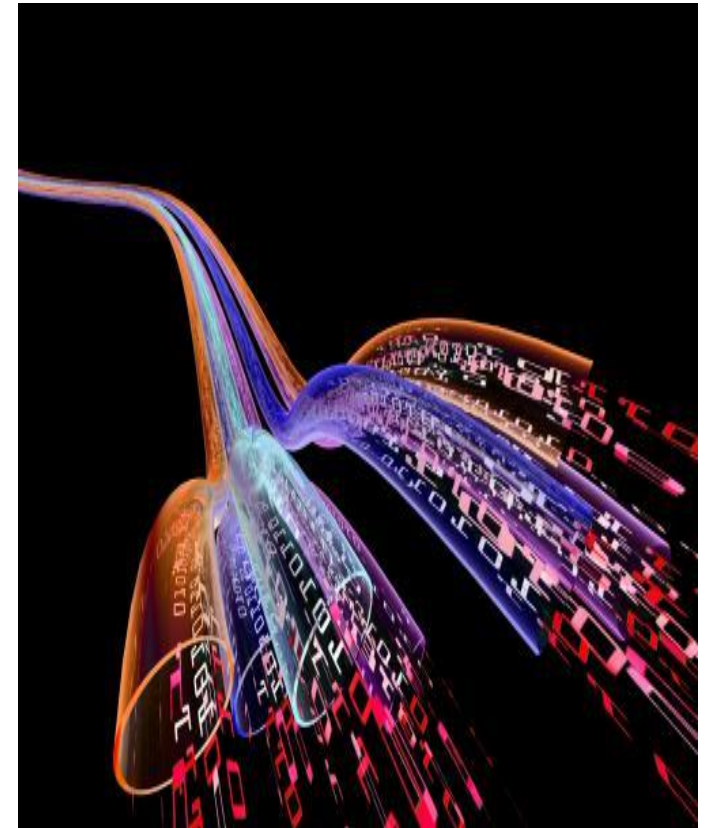
- Customer engagement, retention and loyalty
- A strategy for the perfect inventory
- Processes that drive operational excellence
- Orchestration with the extended enterprise
- A radically different approach to technology

**Taking care of your tactical gaps of today  
while continuing to innovate for growth**



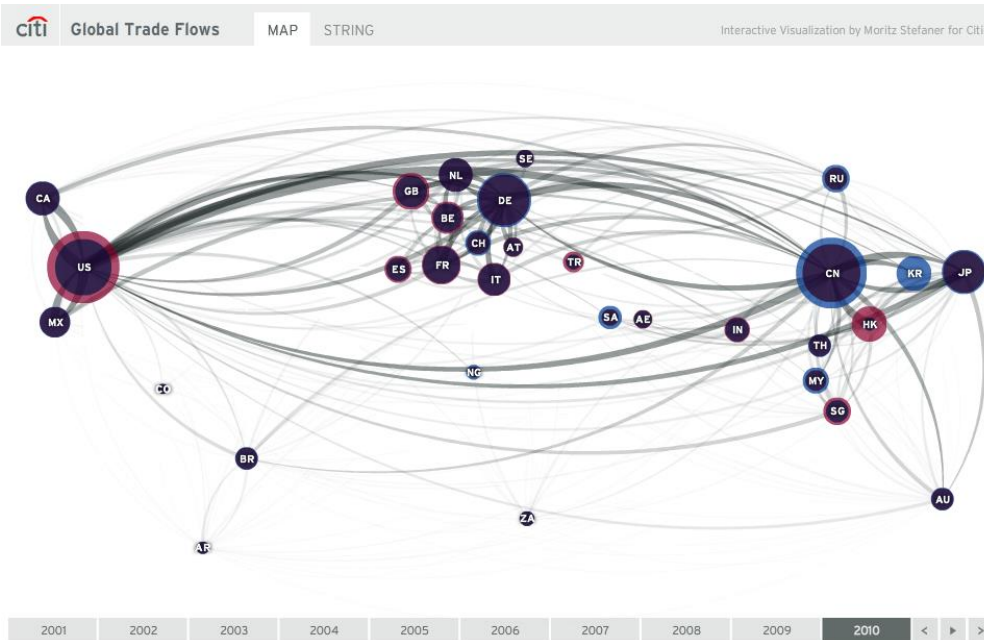
## The perfect inventory flow

- Goods and money **balanced for velocity, volume, and direction**
- A holistic understanding of **total value chain productivity**
- Anticipate disruption & risks and **be confident in adaptability**
- Optimize the entire supply ecosystem to **create a sustainable model of your supply network** to meet today's customer expectations





## Trade orchestration and the extended enterprise



- **Precision retailing** for coordination and inventory deployment
- Set **new standards for flexibility and agility**
- Seamless sourcing and fulfillment **fit to strategy**
- A collaborative network enabling **communities of partners**
- **Extensible and adaptable** supply chain eco-system



# THANK YOU

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