
Legacy Modernization Project Saves Retailer \$1 Million Each Season

Automated supply chain solution improves visibility, efficiency, and accuracy while reducing costs.

Abstract

For a retailer, achieving supply chain efficiencies is a constant priority. Streamlining inventory movement during seasonal sales, when consumer purchasing spikes and inventory volumes peak, has a big dollar value attached to it.

NTT DATA Americas partnered with a North American retailer to modernize its legacy warehouse order picking process in order to reduce supply chain inefficiencies and fulfill orders accurately.

NTT DATA's innovative delivery model ensured that the new off-the-shelf system was fully integrated on time and within budget and the operations transition was smooth and seamless.

The immediate holiday event reduced the number of annual store claims by more than 90% and recorded 100% claims processing accuracy.

Challenge

This North American-based retailer opened an overflow distribution center to streamline processing and shipping of seasonal event orders.

The client originally intended to use its legacy application to manage seasonal event order picking and handling — the process of “picking” merchandise from a warehouse to fill store orders to get the new distribution center up and running quickly.

However, the legacy system relied on manual processes, which limited its integration with inventory management and warehouse accounting systems. This soon posed challenges.

The client could not get a clear view of its inventory. This led to inaccuracies in filling orders. As a result, store claims rose and the retailer's bottom line was threatened. Yet, without a clear view into all the links within its supply chain, the retailer was unable to clearly assess which areas needed operational improvements.

What was required: an off-the-shelf supply chain event management solution that would fully automate the processing of event orders and accommodate the retailer's

A modernized supply chain system enabled this retailer to streamline operations and save approximately \$1 million each season.

growing and evolving business requirements. Moreover, the implementation had to be delivered in time for the holiday seasonal event — just three months away.

Solution

NTT DATA had been providing application maintenance services to this retailer for six years when the client entrusted NTT DATA to help select an off-the-shelf supply chain event management solution.

NTT DATA leveraged its ShoreWise Adaptive DeliverySM model to assemble the right mix of warehouse operations subject matter experts and technology experts onsite and offshore.

NTT DATA proposed an open architecture solution that would enable the system to be easily evolved.

NTT DATA managed the product's implementation from end to end, starting with working onsite with client business analysts to document requirements, then integrating the application with the client's inventory management and accounting systems and testing it using a mix of 50% offshore resources to optimize the cost structure.

With the new system in operation, NTT DATA now provides the application maintenance resources to ensure the system meets performance requirements and evolves with future business needs.

Results

With a fully automated supply chain event management solution, this retailer now has greater visibility into and control of its inventory. This has led to better productivity and accuracy around order fulfillment and has improved overall warehouse operations.

The modernized solution has enabled the client to:

- » Identify key warehouse operational problems and already eliminate more than 50% of them. This has:
 - » Vastly improved warehouse productivity
 - » Reduced inventory loss
 - » Saved approximately \$1 million each season
 - » Reduced total number of store claims by more than 90% in the immediate season following implementation
- » Improve claims processing accuracy by 100%
- » Bring visibility to approximately \$1.5 million in annual store claims

Leveraging NTT DATA's ShoreWise Adaptive DeliverySM model the client assembled the right mix of onsite and offshore systems integrators to complete the project on time, on budget, and to a superior level of quality.

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