

# Luxury Retailer Benefits From Supply Chain Planning Transformation

**Capgemini helps U.S. retailer improve its supply chain visibility and analytical capabilities by transforming the planning and fulfillment operation**

## The Situation

A large U.S.-based luxury retailer faced a number of supply chain challenges. The company's existing processes and systems for supply and capacity planning were not integrated and did not provide the required functionality to operate in an increasingly complex environment.

In addition, the retailer had limited visibility, reporting, analytics and simulation capability, and its manual planning processes were labor intensive and time consuming.

## The Solution

Capgemini helped the company through a supply chain transformation program that redesigned the business processes and implemented JDA supply chain applications to enable the new processes. JDA modules include Master Planning, Fulfillment, Monitor, Reporting and Collaborate.

## The Result

The supply chain transformation project has enabled the retailer to benefit from an integrated view of demand and a holistic approach to demand fulfillment and capacity management. Short-, medium- and long-range capacity planning is now integrated with supply planning using integrated processes and a single set of data.

This has resulted in improved visibility and analytical capabilities, as well as the ability to decrease the planning cycle, respond more quickly to changes in demand, and leverage actual lead times to plan production across a future time horizon.

“One of the big benefits of this project is an improved visibility of our inventory throughout the supply chain – from vendors to Business Unit customer. The Capgemini team helped us develop and manage a more collaborative and efficient business process between the planning teams that has led to a significant reduction in planning cycle time.”

Supply Planning Manager



### How the Luxury Retailer and Capgemini Worked Together

The supply chain planning challenges had impacted the retailer's operational effectiveness in a number of ways:

- inability to create an integrated plan for short-, medium- and long-range capacity planning
- inability to quickly assess the impact of potential demand changes and develop a response strategy
- lack of discipline, tribal knowledge and poor integration, requiring disconnected, cumbersome and offline planning processes
- non-scalable solution due to labor-intensive item-by-item planning process.

To address these challenges and improve its supply chain execution, the company selected JDA's supply chain planning applications and called on Capgemini to redesign the business processes and implement the solution.

The project began with a current-state process analysis in order to gain a better view of the requirements and the pain points. Future-state business processes were developed to meet the business needs and resolve the pain points. This process model incorporated the leading retail business practices and processes. Some of the key elements included in the future-state processes were:

- integrated distribution and capacity planning
- enhanced cross-functional communication
- clear collaborative channels spanning multiple geographies.

Configuration of applications, custom development and testing of the solution was done in a highly collaborative environment where the Capgemini and client team came together to identify design gaps and opportunities to streamline business applications. Collaborative execution and an integrated "one-team" approach ensured not only that all the concerns were addressed early in the solution, but also that the transition from

Capgemini to the client was seamless on deployment of the solution.

The solution also included a reporting module that provides a wide range of reports using the JDA platform. These reports enable exception-based planning and also provide middle and top management with a medium- to long-term view of demand and supply mismatches.

Key to the success of the project was a focus on organizational change management, including direction and reinforcement from top management and a strong communication plan. A variety of activities were used to communicate to employees during the development and implementation process, including:

- project newsletter
- intranet communication, chat rooms and a change portal
- dialogue-oriented events like town-hall meetings and an executive/ employee dinner
- brown-bag lunches and road shows
- interactive events and workshops.

The supply chain transformation project has resulted in a number of

positive changes for the luxury retailer. Supply planning and capacity planning processes are now integrated using common applications and data between teams. In addition, exception-based planning is now possible via an automated and customized alerts and monitoring tool.

The new solution also enables a systematic "what-if" simulation capability, a more disciplined and collaborative planning process, and the capability to decrease the planning cycle to less than two weeks.

Additional benefits include:

- the ability to leverage actual lead times to plan production across a future time horizon
- improved visibility and analytical capabilities
- planning knowledge incorporated into the system
- increased accuracy of production planning data through forecast proration, freeze duration and more accurate lead time
- one common product hierarchy (department-class-subclass)
- automated business unit inventory (allocation) calculation.



### About Capgemini and the Collaborative Business Experience™

Capgemini, one of the world's foremost providers of consulting, technology and outsourcing services, enables its clients to transform and perform through technologies. Capgemini provides its clients with insights and capabilities that boost their freedom to achieve superior results through a unique way of working, the Collaborative Business Experience™. The Group relies on its global delivery

model Rightshore®, which aims to get the right balance of the best talent from multiple locations, working as one team to create and deliver the optimum solution for clients. Present in more than 30 countries, Capgemini reported 2008 global revenues of EUR 8.7 billion and employs 90,000 people worldwide.

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