SPAULDING RIDGE | NORDSTROM

CLIENT SHOWCASE

Nordstrom

Supply / Inventory Planning

with **Anaplan**

The Challenge

> Nordstrom Inc. is an American luxury department store chain, employing over 62,000 people with an annual revenue of $14.7B.
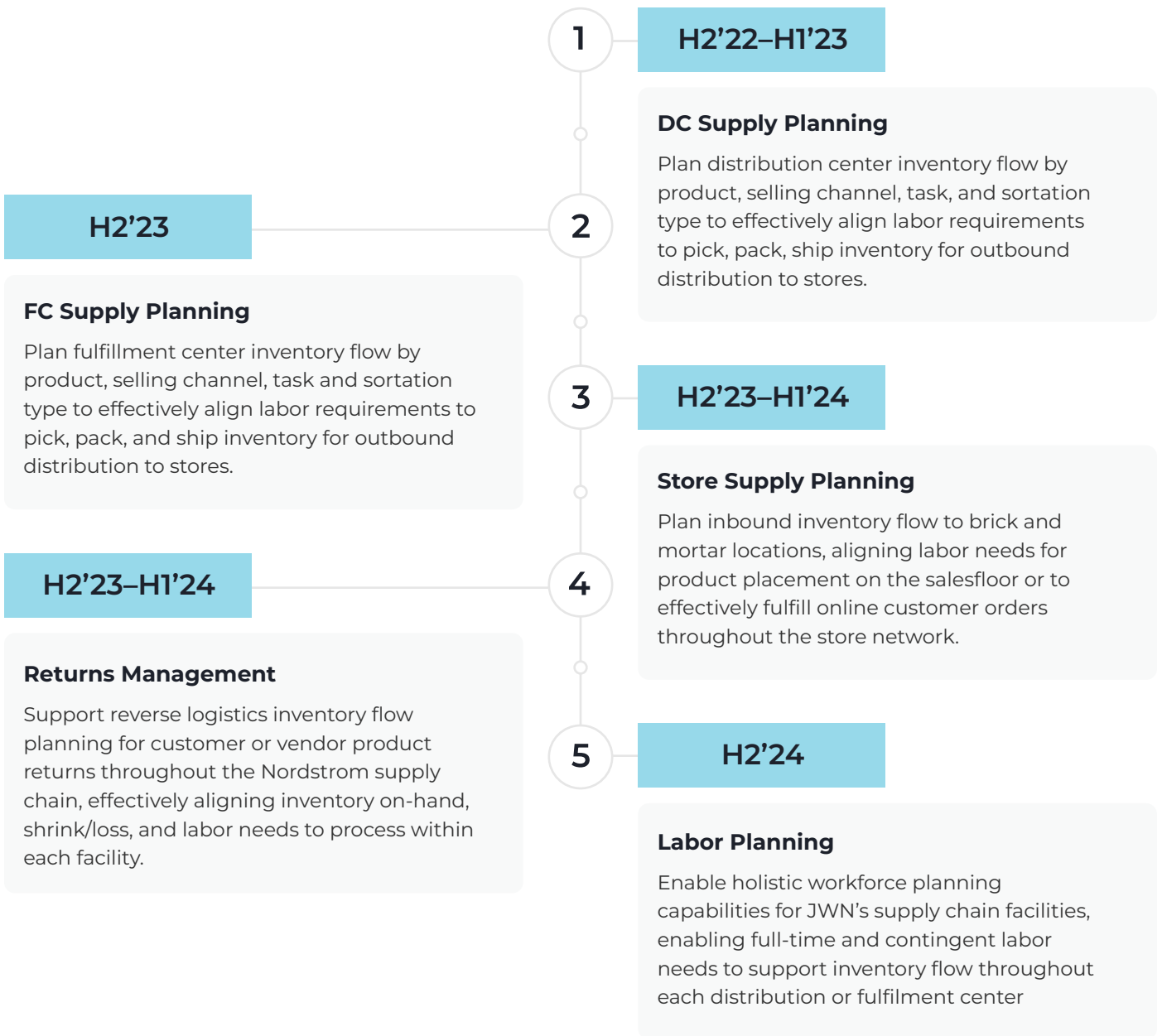
They are leading providers of mid to luxury apparel, footwear, beauty, and accessory products across ~400 stores. The retailer supports three major selling channels: full-price (Nordstrom), off-price (Nordstrom Rack), and eCommerce.

Nordstrom has been an Anaplan customer for ~4 years, starting their transformation in finance prior to evolving supply chain planning capabilities. Spaulding Ridge was brought on to perform a technical and functional assessment of Nordstrom's initial Anaplan models for end-to-end inventory flow planning across their distribution and fulfillment network comprised of fourteen facilities.

Nordstrom's existing processes and models lacked depth in procedural best practices and their models were cumbersome and not easily understood by a constantly changing supply chain workforce. As a result, they were struggling with adoption and unlocking the value of the platform; ultimately regressing their planning and operations out of Anaplan and back into Excel.

Our Solution

SR industry SMEs engaged in an expedited discovery engagement to highlight opportunities in Nordstrom's current solutions and lay out a transformation framework that would enable Nordstrom's planning pillars of adoption, agility, and accuracy across the supply chain while bringing them to parity with current industry best practices for omnichannel supply planning capabilities. Additionally, SR outlined a roadmap of additional Anaplan capabilities that Nordstrom's supply chain organization will need to support a connected planning or IBP planning process. Our roadmap (below) has been completed through Stage 2.

1 — H2'22–H1'23

DC Supply Planning

Plan distribution center inventory flow by product, selling channel, task, and sortation type to effectively align labor requirements to pick, pack, ship inventory for outbound distribution to stores.

2 — H2'23

FC Supply Planning

Plan fulfillment center inventory flow by product, selling channel, task and sortation type to effectively align labor requirements to pick, pack, and ship inventory for outbound distribution to stores.

3 — H2'23–H1'24

Store Supply Planning

Plan inbound inventory flow to brick and mortar locations, aligning labor needs for product placement on the salesfloor or to effectively fulfill online customer orders throughout the store network.

4 — H2'23–H1'24

Returns Management

Support reverse logistics inventory flow planning for customer or vendor product returns throughout the Nordstrom supply chain, effectively aligning inventory on-hand, shrink/loss, and labor needs to process within each facility.

5 — H2'24

Labor Planning

Enable holistic workforce planning capabilities for JWN's supply chain facilities, enabling full-time and contingent labor needs to support inventory flow throughout each distribution or fulfilment center

Our Capabilities

- API-based integrations to ERP, data warehouse, and merchandising capabilities

- Holistic unit inventory capacity planning for current ownership and committed new receipts

- Inbound/outbound inventory projections by product type, selling channel, fulfillment channel, DC/FC

- Inbound/outbound inventory disaggregation by packaging requirements and pick/pack/ship lanes by DC/FC (e.g., quality assurance, reserve, hang sorter, flat sorter, etc.)

- Outbound unit inventory assignments to the store network for transportation and delivery

- Ability to drill down into inventory projection by product, year, quarter, month, week, and day

- Ability to generate multiple plans versions and perform 'what if' analysis

- Enable executive reporting for inventory flow with innate aggregation/ disaggregation across product/location/ time dimensionality

- Enable outbound integrations to Tableau for ad hoc, internal operational reporting

Our Solution: By the Numbers

15% utilization

Increased warehouse labor utilization across DC/ FC facilities with accurate inventory projections.

$3M per year

Operational expense savings from aligned labor and inventory volume projections

1 week to 2 hrs

Reduction of planning cycle times

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