

Customer Success Story

Red Wing Shoe Company - retail supply chain collaboration



Cut SIOp process time by more than 50%



Decreased lead times by 30%



Reduced inventory by 27%



Built a collaborative environment with trust in the statistical forecast and the SIOp process



Increased visibility and improved forecast accuracy by 30%



Increased fill rates by 8-10%

Challenge

Red Wing needed a better forecast to more efficiently position inventory, improve the Sales Inventory Operations Planning [SIOp] process and to collaborate with its suppliers more effectively.

Logility Digital Supply Chain Platform

Red Wing Shoes deployed Logility and reduced inventory across the network, increased fill rates, shortened lead times, cut the SIOp process time in half and improved forecast accuracy.



Facts

Industry
Footwear and Apparel

Headquarters
Red Wing, MN

Profile

Red Wing Shoe Company is a leading purpose-built footwear company specializing in work and outdoor products that can stand up to conditions around the world.

"Our deployment of Logility has enabled us to significantly accelerate our SIOp process which has been instrumental in aligning our corporate goals and strategy across brands and functional areas."

Senior Vice President of Supply Chain - Red Wing Shoe Company

Red Wing Shoe Company, a leading purpose-built footwear company, specializes in work and outdoor products that can stand up to conditions around the world, from Middle East oil fields to Midwest cornfields. The company goes to market via a retail network, dealer channels and directly owned stores. With continued growth in product portfolio, volume and retail network footprint, Red Wing Shoes found it increasingly difficult to work with suppliers and partners around the world using spreadsheets to plan their business.

Moving from Spreadsheets to Improve Performance

Traditionally, Red Wing Shoes' forecasts were managed at the style level, but significantly degraded at the style-gender-size level. In the apparel and footwear business, a forecast may be quite accurate at the style level but deviate greatly at the SKU level, leading to backorders. Actual demand shifts the curve in real time, much faster than a once-a-year review cycle can respond to.

Key suppliers also depend on visibility of future demand to balance capacity planning and scheduling. While Red Wing Shoes held solid supplier relationships, an innate skepticism often caused suppliers to modify their monthly production plans to reflect their opinion of the appropriate SKU level mix. This often resulted in lower supplier service levels, which in turn caused Red Wing to suffer lower customer fill rates.

Improvements Seen Early

Red Wing Shoes invested in its supply chain people, process and technology, including APICS certification as well as implementing the Logility digital supply chain platform. Only four months after launching Logility, Red Wing, along with its suppliers and retailers, began reaping benefits based on more detailed and accurate information, increased visibility and better service.

"We are embracing rapidly changing consumer purchasing behaviors by delivering multi-channel commerce across all channels and improving our end-to-end supply chain planning capabilities with Logility," said Red Wing Shoes' senior vice president of supply chain.

Logility Demand Planning™

enables Red Wing Shoe Company to rationalize its broad product line by providing a comprehensive forecast of demand by SKU, customer and distribution channel.

Logility Inventory Planning™

allows Red Wing Shoe Company to leverage time-phased inventory policies that align business seasonality with corresponding customer service goals.

Logility Supply Planning™

helps Red Wing Shoe Company balance supply, manufacturing and distribution constraints based on corporate goals for maximizing profit or minimizing costs.

Logility enables you to:

- Increase forecast accuracy
- Align inventory investments with customer demand
- Optimize inventory levels and increase inventory turns
- Boost customer service through product availability, accurate order fulfillment and on-time deliveries
- Optimize your entire value chain and get the right products at the right price to the right place at the right time
- Synchronize supply chain requirements with key trading partners

Collaboration Leads to Success

Red Wing Shoes has moved into the forefront of information sharing with suppliers, who now boast they have real-time access to “the best information we’ve ever had.” Even suppliers with limited technology experience have been thrilled with the new level of visibility, ease-of-use and accuracy.

Red Wing has been able to provide suppliers with a synchronized demand and supply plan each month, allowing them to drill down to actual SKU-level demand in real-time, over a 12-month rolling horizon.

The collaboration with global distributors has helped planners understand order patterns across more than 110 international markets and create more accurate global consolidated demand plans. With more effective level-loading between suppliers, Red Wing can pull demand in or push production out with confidence. Planners have better visibility to upcoming retail promotions, and access to comprehensive demand history data giving them confidence in making forward-facing decisions.

The planner-buyer collaboration on new product launches results in products getting to market on time and on target for Red Wing. Scorecards of forecast accuracy in monthly SIOp meetings show service levels have improved tangibly. Now, retailers experience more full-order replenishments and on-time deliveries. With supply chain visibility and execution dramatically improved, it is fair to say that Logility has transformed Red Wing’s supply chain performance. “Our deployment of Logility has enabled us to significantly accelerate our SIOp process which has been instrumental in aligning our corporate goals and strategy across brands and functional areas,” says the senior vice president. “Our key focus strategies include strong matrix teams to ensure business alignment, organization aligned goals and strategies, and clear direction on what we are working on.”

Results

Following the implementation of Logility, Red Wing Shoe’s forward visibility expanded to 18 months of demand, publishing 12 months to suppliers for collaborative planning. Red Wing has achieved tangible results across the organization from this initiative. Red Wing reduced inventory across the network by 27% while increasing customer fill rates by 8% to 10%. Forecast accuracy improved by 30%, based on weighted mean absolute percentage error [WMAPE] and lead times have been shortened by an impressive 30%. Along with these significant results, Red Wing has been able to more effectively manage its SIOp process and with Logility, the SIOp process time was cut in half.



About Logility

Accelerating the sustainable digital supply chain, Logility helps companies seize new opportunities, sense and respond to changing market dynamics and more profitably manage their complex global businesses. The Logility® Digital Supply Chain Platform leverages an innovative blend of artificial intelligence [AI] and advanced analytics to automate planning, accelerate cycle times, increase precision, improve operating performance, break down business silos and deliver greater visibility. Logility is a wholly owned subsidiary of American Software, Inc. [NASDAQ: AMSWA].

To learn how Logility can help you make smarter decisions faster, visit www.logility.com.