nextuple | CASE STUDY

North American Specialty Jewelry Retailer Transformed Sourcing Capabilities with Nextuple

THE CUSTOMER

North America's largest specialty jewelry retailer, boasting over 2800 stores and nearly $8 billion in annual sales, selected the Nextuple OMS Studio™ to elevate its sourcing capabilities for omnichannel fulfillment. An opportunity was identified to enhance its sourcing logic strategy with the goal of prioritizing aging store inventory.

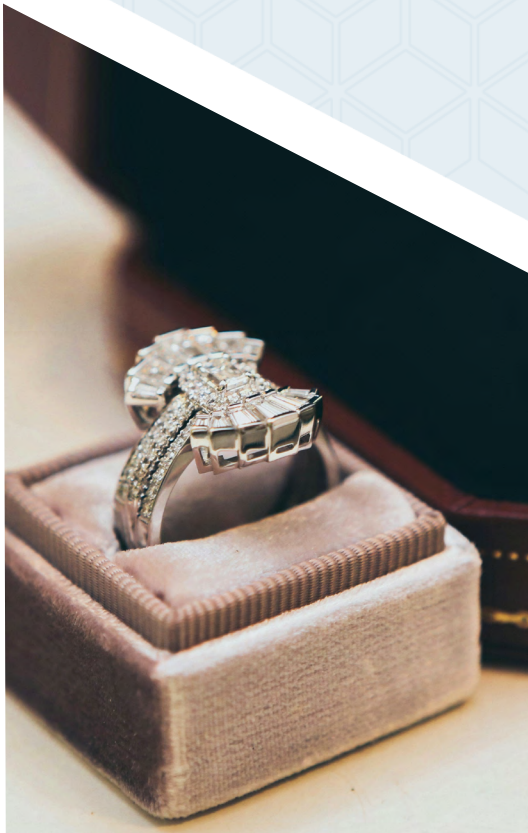
THE CHALLENGE

In pursuit of operational excellence, the retailer envisioned a strategic shift towards store fulfillment, aiming to prioritize store inventory age in sourcing decisions while also considering distribution centers on a SKU-by-SKU basis.

However, enhancing the legacy OMS sourcing logic presented two significant challenges:

1. The performance of the legacy OMS would be degraded if they attempted to leverage the existing sourcing configurations available to them. Addressing this would have required the purchase of more infrastructure.
2. Incorporating inventory age using the configurations available in the existing sourcing algorithm would be complex, requiring significant customization.

Within the first quarter, **over $15M in sales revenue** went through the improved sourcing logic which **reduced excess inventory sitting in stores by over $5M.**



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THE SOLUTION

When it comes to order management systems, microservices emerge as a powerful solution for enhancing existing technological frameworks. The retailer embraced the Nextuple OMS Studio, a modern cloud-native suite comprising flexible and scalable Order Fulfillment microservices. The technology allows omnichannel retailers to quickly and effectively respond to consumer demands for speed and convenience while optimizing the cost to serve.

Using the Sourcing Microservice, the retailer was able to seamlessly augment and enhance the sourcing logic that was driven through the retailer's legacy OMS. The microservice included a SKU / store node ranking that was driven by age of inventory. This microservice then worked with the core sourcing engine to inform which nodes should be considered.

Nextuple leveraged two extension points in the legacy OMS as part of the solution, one to get the SKU / store rank and the other to pass the nodes for consideration to the sourcing engine. This solution augmented the legacy sourcing engine rather than undertaking a full replacement, which mitigated risk and accelerated time to results. The same approach can be leveraged to incorporate other factors into the sourcing algorithm that don't fit well into legacy OMS' capabilities, such as sales velocity, etc.

THE RESULTS

On average, 15% of online orders are now getting fulfilled from unproductive (stranded/aged/ excess) inventory locations. By shifting to prioritizing aged inventory, it led to a substantial reduction in total inventory carrying costs by millions of dollars in a short time period. Within one quarter, over $15M in sales revenue went through the improved sourcing logic which reduced excess inventory sitting in stores by over $5M.

The entire solution lifecycle—from requirements gathering to launch—was executed quickly in just 12 weeks (about 3 months). Crucially, the retailer avoided incurring increased infrastructure costs with their current vendor, underscoring the cost-effectiveness and strategic foresight embedded in the Nextuple OMS Studio solution.