

TRENDY INTERNATIONAL GROUP BOOSTS OMNICHANNEL GROWTH

OPERATIONS

Headquarters: Guangzhou, China
Distribution centres: Guangzhou, Jiangsu, Tianjin, Wuhan

MANHATTAN SOLUTION

Warehouse Management

TRENDY ■■■ INTERNATIONAL GROUP



CHALLENGE

Trendy's incumbent ERP system lacked the supply chain focus and flexibility to support future growth. The legacy technology also hindered its ability to provide prompt, responsive service to its growing community of online shoppers.

SOLUTION

Manhattan's Warehouse Management was selected to meet Trendy's requirement for a robust, flexible solution to handle its growing multi-brand, high volume, omnichannel operation and help the company provide timely service to offline and ecommerce customers.

PROGRESS & RESULT

In addition to a 10% uplift in productivity and a 3% improvement in pick accuracy within the DC, Trendy has reduced order-to-delivery cycle times and improved overall service levels for customers.

"The deployment of Manhattan Associates' technology has played a key role in enabling our omnichannel business transformation and supporting the company's broader expansion strategy. We've enjoyed significant growth within our online division and across the rest of the business and we've delivered service level improvements across all channels."

WATERMAN WEI, SENIOR LOGISTICS DIRECTOR
TRENDY INTERNATIONAL GROUP

PUSH POSSIBLE

 **Manhattan**
Associates.

IMPROVED EFFICIENCY, ACCURACY AND CUSTOMER SERVICE LEVELS

at Trendy International Group

OMNICHANNEL RETAILER RELIES ON AGILE AND EFFICIENT SOLUTION FOR BUSINESS GROWTH

Founded in 1999, Trendy International Group (Trendy) is one of China's leading distributors and retailers of clothing and accessories for women, men and children. Its fashion brands for women include Ochirly, Coven Garden and Five Plus whilst the Trendiano label specialises in menswear and the Ochirly Kids label targets children. In 2012, Trendy bought global fashion business The Sixty Group comprising brands such as Miss Sixty, Killah and Energie, an acquisition which allowed the group to significantly expand its sales footprint across Asia-Pacific.

With more than 2,000 stores in China alone and registering a consistent annual growth rate of more than 10%, Trendy has built an unparalleled reputation as a successful fashion retailer for men, women and children. Against a backdrop of intensifying competition in the global retail market and the accelerating popularity of e-commerce in China, Trendy adopted an omnichannel approach to its retail operations. Ecommerce now makes up eight percent of Trendy's overall business revenue and this figure is expected to grow in the coming years.

Headquartered in Guangzhou, Trendy has four major distribution centres (DCs) spread across the country including one in Guangzhou itself and the other three in Jiangsu, Tianjin, and Wuhan, jointly comprising a total warehouse area of 700,000 square feet and capable of supporting the company's expanding omnichannel operations. Trendy puts a huge emphasis on improving service levels within its stores, in franchise operations and across its ecommerce operation so as to be able to extend a unified and streamlined service offering across channels to drive overall brand loyalty and revenue.

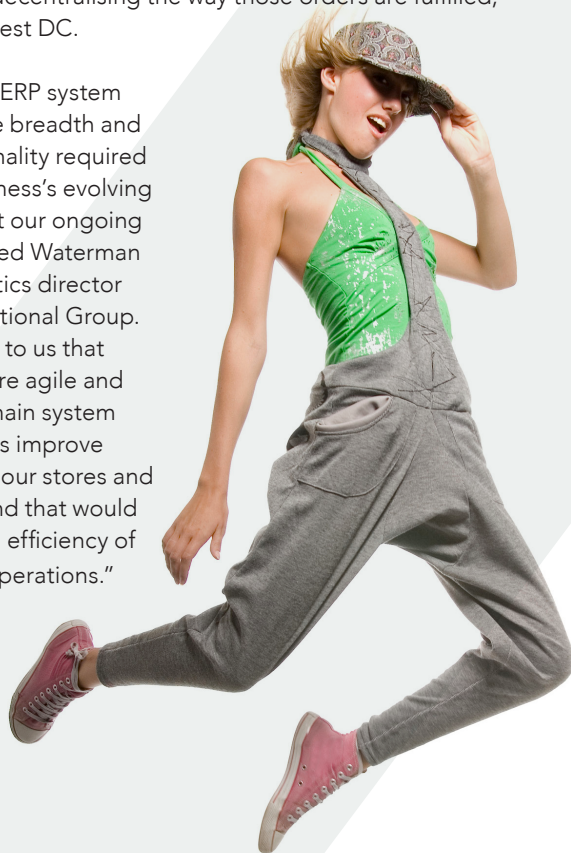
INEFFICIENT SYSTEM IMPEDES LEAN DISTRIBUTION MANAGEMENT OBJECTIVE AND ECOMMERCE AMBITIONS

To help deliver on these goals and enable the business's ongoing development, Trendy recognised it needed to replace its legacy ERP (enterprise resource planning) system as it lacked the requisite supply chain functionality and flexibility to be able to support the next phase of the business's growth. Trendy determined it would need a dedicated warehouse management system to streamline and simplify its operations at the same time as serving as an enabler for business growth.

"The consumer is king and needs to be the core focus of our online-offline retailing proposition—this is exactly what the Manhattan solution will enable us to do. Its innovative architecture will streamline our omnichannel operations and enable us to give prompt responses to customers' enquiries on product availability and when and how orders can be fulfilled."

In addition, the company's growing ecommerce order volumes meant that the company needed a greater degree of inventory accuracy, a more efficient process for picking singles (single orders), and the ability to provide an instant answer on product availability for its online customers. Moreover, the company needed a way of centralising online orders coming from all over the country but decentralising the way those orders are fulfilled, i.e. from the nearest DC.

"Our incumbent ERP system simply lacked the breadth and depth of functionality required to meet the business's evolving needs or support our ongoing growth," explained Waterman Wei, senior logistics director at Trendy International Group. "It was very clear to us that we needed a more agile and flexible supply chain system that could help us improve service levels for our stores and our customers and that would help improve the efficiency of our warehouse operations."



IMPLEMENTING THE RIGHT SOLUTION TO MEET FUTURE DEMAND

Convinced by Manhattan Associates' expertise in supply chain commerce and its proven track record serving the world's leading retailers, Trendy selected Manhattan's Warehouse Management Solution (WMS) to provide an integrated inventory management capability across its DC network to support both its e-commerce and offline retail channels.

"Manhattan has accumulated a huge amount of experience and expertise from working with retail giants across the globe, and we felt strongly that this heritage would benefit us hugely. Its reputation in the industry gave us huge confidence in every aspect of our own deployment," said Waterman.

INSTANT BENEFITS FOLLOWING SMOOTH IMPLEMENTATION

Following the WMS deployment project kick-off, Trendy went live at its ecommerce distribution centre in Guangzhou within two months. The Manhattan solution is now live at all four distribution centres and is already enabling significant growth within the company's online operation.

Manhattan's solution has not only helped streamline processes within Trendy's DCs, it has also helped cultivate customer loyalty by offering a speedy and flexible fulfilment capability across the country. Trendy has also reported improvements in inventory accuracy and warehouse productivity. In particular, its picking efficiency has improved markedly as the picking process is now system-directed rather than manual meaning it is conducted in a sequential manner to minimise travel time, whilst stock-taking is now effectively automated rather than an entirely manual process.

Waterman continued, "It was really impressive that Manhattan Associates' solution could help simplify our warehouse processes and improve staff productivity and this has helped us address the urgent need for us to reduce labour costs in our DCs."

He continued, "The deployment of Manhattan Associates' technology has played a key role in enabling our omnichannel business transformation and supporting the company's broader expansion strategy. We've enjoyed significant growth within our online division and across the rest of the business and we've delivered service level improvements across all channels. The Manhattan technology ensures our products are readily available to customers in China—regardless of how they choose to shop with us—in our own stores, franchised stores or online platforms. The WMS solution has delivered improved visibility of both inventory and data across our operations and provided a greater level of flexibility in how we fulfil customer orders," Waterman said.

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IMPROVED PICKING EFFICIENCY AND ACCURACY

Prior to installing Manhattan Associates' WMS solution, Trendy relied on a paper-based process for its picking and order fulfilment operations: employees would pick products according to a paper order but the manual approach would often give rise to incorrect products being picked which was time-consuming and costly to rectify. When Trendy replaced this operation with Manhattan's WMS and complementary radio frequency (RF) identification devices, it was able to automate the entire picking operation and this improved process efficiency and inventory accuracy.

The new system has allowed Trendy to automate picking, packing and shipping, minimised the number of moves per order and greatly improved the accuracy of every order. Picking accuracy has improved by 3% while picking efficiency has increased by up to 10%. Trendy is now able to process a total daily outbound shipping volume of about 8,000 orders.



IMPROVING OPERATIVE EFFICIENCY AND REDUCING LABOUR COSTS

Prior to deploying the Manhattan WMS, Trendy's manually conducted stock taking process was time-consuming and very expensive. In addition, Trendy had to shut down its distribution operation for three to five days of the year in order to facilitate inventory checks. Manhattan's WMS has changed all of this and now allows Trendy to perform automated inventory checks and provide daily updates on orders fulfilled and what stock is available. Not only has the system replaced manual work, there's no longer a need to close the business for stock taking.

Looking ahead, Trendy intends to extend its use of the Manhattan system to further integrate it within its distribution operation and support the company's rapid development and ongoing multi-channel growth.

"We see the great potential of ecommerce and we believe it has to be seamlessly integrated with our offline business. The consumer is king, needs be the core focus of our online-offline retailing proposition and this is exactly what the Manhattan Associates solution will enable us to do. Its supply chain solution with its innovative architecture will streamline our omnichannel operations and enable us to give prompt responses to customers' enquiries on product availability and when and how those orders can be fulfilled. We see Manhattan Associates as a long-term partner to support our omnichannel strategy and help us drive the business's ongoing growth," concluded Waterman.

