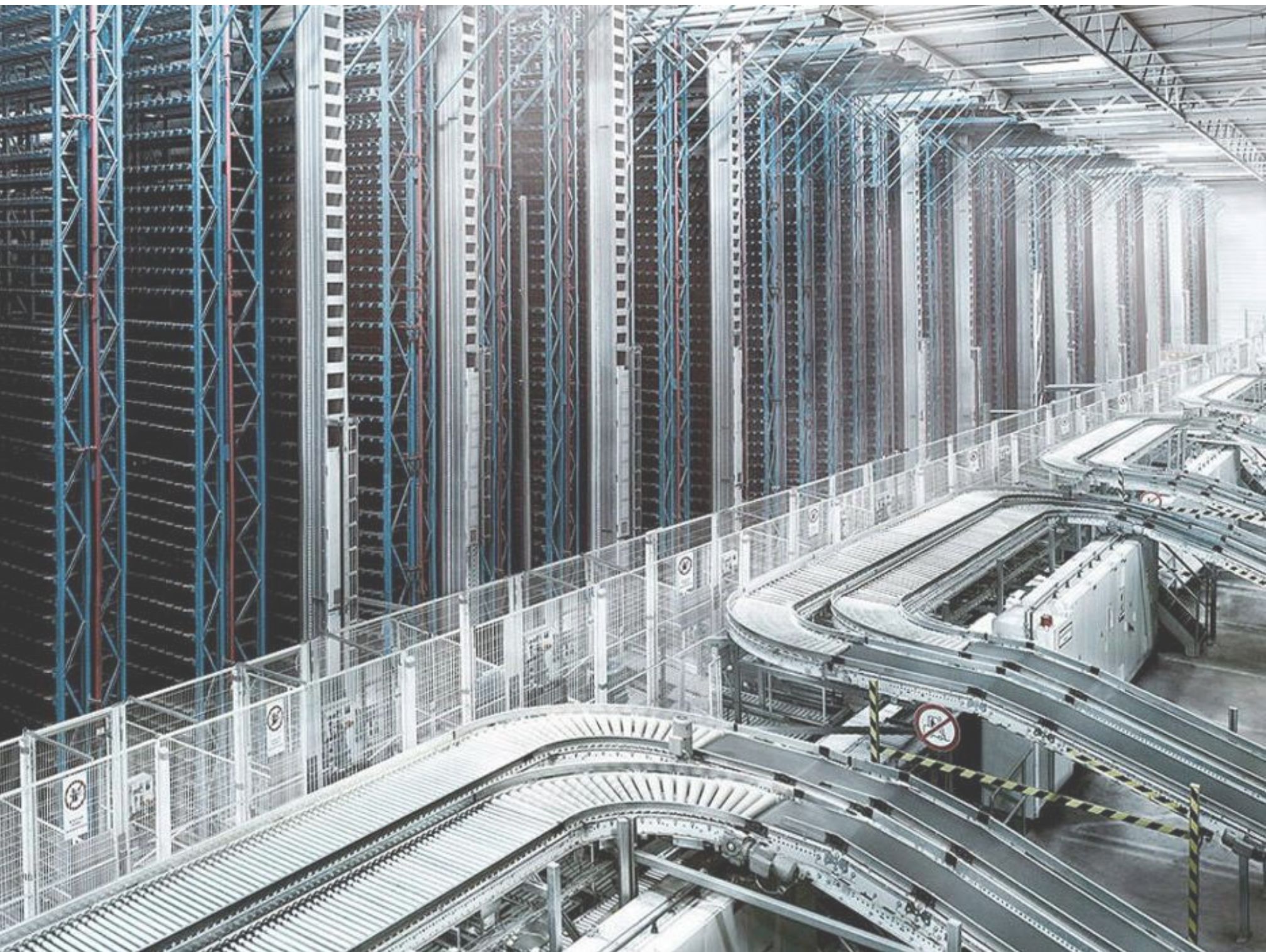


# Weave Services Ltd.

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## **Direct-to-Store replenishment model**



**October 2016**

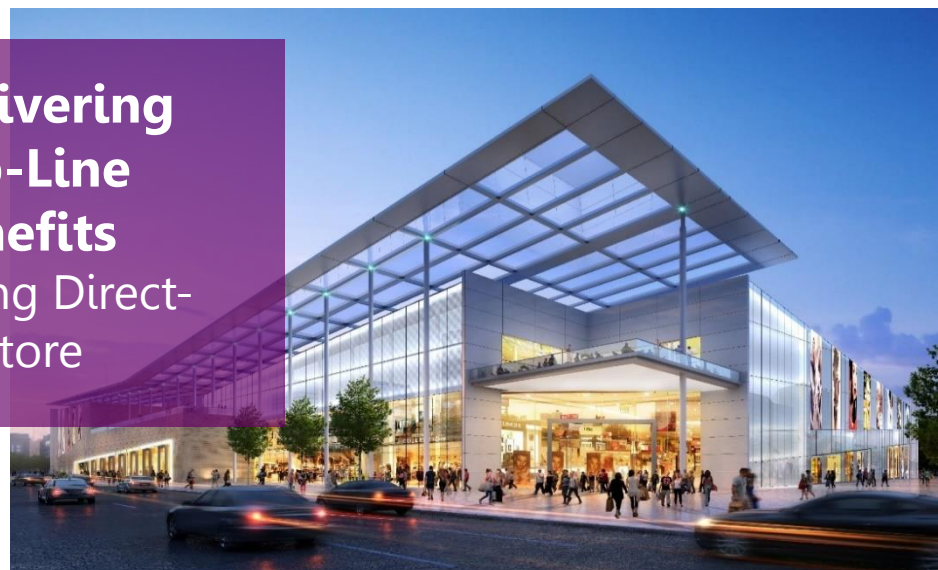
**25% of COGS** is spent on average by retailers to hold and maintain their inventory. More and more businesses are coming to the realization that holding inventory presents a very high cost to the business. In an open to buy model, the buyers cannot rebuy until the ratio of inventory to sales shows signs of profitability.

Image a **ZERO inventory warehouse** - Possible? Yes with cross-docking and Direct-To-Store model.

There are only two ways to reduce inventory: increase forecast accuracy and stabilize vendor performance or cross-dock inventory.

Two categories of products that can benefit from **Direct to Store programs**. **Fast fashion**/one-off buys and **run-of-mill products** such as blue shirts and black socks. One of our client is leading bedding and towel manufacturer and ships millions of units to its large US based client retailer every year. The products are picked at the overseas factory, products are made based on forecast, shipped and cross-docked at the US warehouse. Weave sets up the hardware, turn orders in EDI and ASN flows and can also provide replenishment forecast based on latest sales trends.

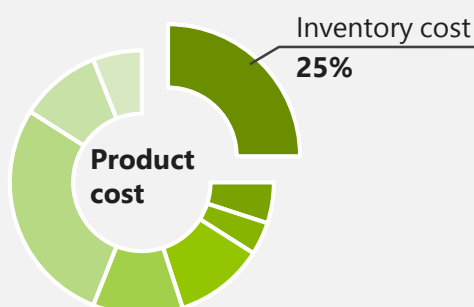
## Delivering Top-Line Benefits Going Direct-to-Store



## Estimated impact

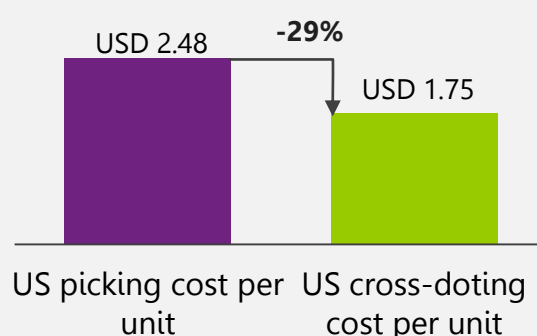
Significant financial impact across the supply chain

### Inventory carrying cost



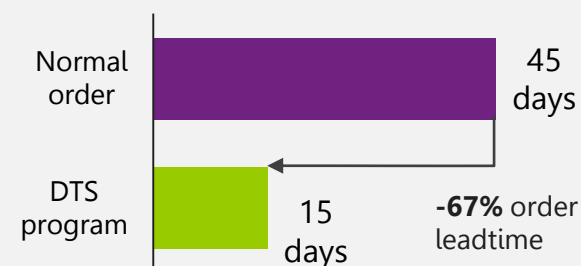
Keeping zero stock in DC leads to **25%** potential cost saving

### Operation cost



**29%** cost saving in picking process by moving the operation from US to factory

### Leadtime

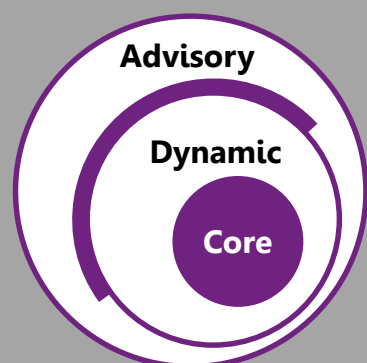


Speed to market leads to sales opportunity by reducing **67%** leadtime

## Direct-to-Store Service

Weave provide DTS program in 3 levels of services

### Direct-to-Store Service



**Core:** EDI transmission, integrated pick pack system, carton optimization and operation management

**Dynamic:** Factory inventory management and performance management

**Advisory:** Retailer demand planning and order management

**Weave Services Ltd.** has unique services to support your business growth no matter what your needs are.



# Getting Started

Direct-to-Store Supporting Centre (DTSSC)



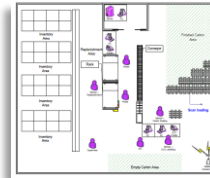
## Installation

## On-going



### Discovery and design (~2-3 weeks)

- Establish E2E operational processes
- Develop semi-customized DTSSC solution



### Operation setup and pilot run (~3 months)

- Acquire hardware and develop IT integration
- Run root cause analysis and correct potential glitches



### Implementation and training (~2-3 weeks)

- Develop capability building
- Finalize SOP with all parties



### IT support and performance management

- Provide IT support and hardware maintenance
- Organize regular lean process improvement
- Manage factory inventory
- Manage retailer sales forecast

## Case study

A US retailer selling 500,000 unit apparel a year. By transforming the supply chain replenishment model with the Direct-to-Store program, it could achieve ~USD \$0.5 million saving in inventory and operation.

Considering the DTSSC setup cost and service fee, the return on investment is more than **200%**.



**Flexible costing model** based on customer needs

For more information on Weave Services Ltd., visit [www.weavenow.com](http://www.weavenow.com)



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