



## CASE STUDY

# Reshaping Inventory Management Capabilities of a Large Discount Store Retailer



## THE CUSTOMER

One of North America's largest discount store retailers, with over 19,000 stores and nearly \$38 billion in annual sales, entrusted Nextuple to transform their inventory management in efforts to enhance visibility and agility. The retailer needed a solution that could provide real-time insights into store inventory levels, empowering them to make informed forecasting and replenishment decisions to stay at the forefront of retail efficiency.

The retailer not only attained immediate benefits but set the stage for **long-term capability enhancement**, facilitating growth and innovation within their own development team.



## THE CHALLENGE

While the retailer had an existing centralized inventory system, it was receiving updates from stores only once a day. This system would then update various other applications with this inventory picture that were responsible for forecasting and replenishment and store-to-store transfers. The retailer was looking to improve SKU inventory accuracy from ~60% to over 90% by increasing the frequency of the updates to be near real-time. The retailer also required a robust audit function allowing them to go back in time to see inventory positions of a SKU / UPC.

This would then in turn improve forecast and replenishment accuracy, drive faster markdown decisions, improve store associate productivity with reduced ad hoc cycle counts and research activity. The retailer was also managing inventory at three different levels. They tracked

inventory at the UPC and SKU level but within stores it was being managed under a sales variant. This sales variant did not have enough granularity for decision making nor was it easy to reconcile across these different levels within the systems.

In addition to the functional issues, the retailer was looking to own the technology solution moving forward but did not have the team nor the full domain knowledge to build a solution on their own. They were looking for a best-in-class starting point they could build from with their own team over time. Nextuple bridges the knowledge and capacity gap for retailers, enabling them to go beyond the limitations of large, one-size-fits-all SaaS solutions. Nextuple delivers highly customized solutions at a fraction of the cost of building them in-house, offering a variety of deployment options to best suit each retailer's needs.





## THE SOLUTION

In the realm of modern retail, the adoption of inventory microservices has become synonymous with heightened precision and operational excellence. For our retailer, Nextuple's innovative inventory microservices emerged as the catalyst for this transformative journey. Comprising supply/demand, availability, and snapshot/audit modules (SAVR), our inventory microservices seamlessly integrate into existing systems, providing a comprehensive solution to inventory challenges. Focusing primarily on the supply microservice and the SAVR microservice, the retailer harnessed the power of Nextuple's tailored solution to navigate the complexities of a real-time inventory master.

To enable a real-time inventory picture, Nextuple developed an integration between the retailer's store handheld device transaction service and the inventory microservice through a Rest API. Now the inventory service was picking up every single device scan near real-time across every type of transaction such as receipts, damages, stock out, etc. POS

sales and returns transactions were also integrated with the service and fed every 15 min.

Addressing the retailer's specific challenge of SKU-level inquiries, Nextuple's solution converted all sales variants internally to SKU and UPC, fostering uniformity across the systems.

Finally, using the SAVR microservice the retailer was able to audit the inventory picture at any level of granularity across all the stores.

The retailer sought a solution that could not only provide real-time inventory visibility but also serve as a foundational framework for their cloud migration strategy. They aimed to leverage a product that would act as a robust foundation upon which they could take full ownership and continuously improve with their own development team. As a result, the retailer chose to purchase the source code from Nextuple.



## THE RESULTS

Nextuple's solution reshaped the retailer's inventory management capabilities. The retailer gained unprecedented insight into inventory transactions which will help them realize significant improvements in accuracy and drive the associated benefits in forecasting and replenishment and efficiency.

The user-friendly UI elevated the experience, becoming a favorite among the retailer's team. Leveraging Nextuple's Inventory solution, the retailer not only attained immediate benefits but set the stage for long-term capability enhancement, facilitating growth and innovation within their own development team.

Looking out further, the retailer hopes to engage with the rest of the Nextuple OMS Studio to solve a variety of OMNI Channel fulfillment opportunities. Since the Nextuple OMS Studio is a unified platform of composable OMS microservices, companies can build new experiences one component at-a-time, or several in parallel with a framework that allows you to iterate your way to the perfect order.

## Inventory: Transform Your OMS with Scalable Microservices

The Nextuple OMS Studio enables retailers to quickly build and scale new fulfillment experiences to delight customers, create more omnichannel agility, and accelerate time-to-value. Nextuple is working with a broad range of retail and grocery leaders throughout North America – totaling \$100B in revenue and more than 30,000 store locations – to improve performance in these key areas.

[LEARN MORE ABOUT INVENTORY](#)



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