



Sur La Table Reaps Ongoing Benefits With 4R Advanced Inventory System

Sur La Table knew it had enormous opportunity to streamline inventory processes and derive benefits, but it had no idea to what extent.



“To be perfectly honest, I had some big reservations about the program because it sounded too good to be true. I’ve heard more than my share of pitches and experienced far too many situations, so I have an inclination to be a doubter.”

—Eric Kang, Vice President of Supply Chain

The privately held retailer, renowned for its refined selection of kitchenware product, accessories and culinary expertise, had been relying on an inventory system that required frequent intervention and decision making to stay on track and keep up with demand.

The desire to change was strong. But choosing and successfully moving to a new inventory management system is no easy task and fraught with risk.

Eric Kang, vice president of supply chain at Sur La Table, decided to engage 4R Systems based on internal discussions, Board member recommendation, and extensive due diligence research and outreach.

The results decisively cleared up those doubts. So too did the partnership that emerged throughout the process of implementing the system and, since then, uncovering opportunities for continuous improvement and bottom-line gains.

“4R Systems helped us quantify the return-on-investment. I am not at liberty to share the numbers, but I can tell you it was compelling. The system paid for itself many times over the first year out,” Kang said.

“No question, it beat the financial metrics and ROI targets,” he added.

Sur La Table carries nearly 10,000 stock keeping units in

total, which add up to tens of millions of combinations during the year. The need to manage the inventory much more precisely was loud and clear.

The company signed on to install 4R’s Store Replenishment Solution in mid summer, but then faced the dilemma of whether to implement and go live right before the holiday season or play it safe and wait until early the following year.

After in-depth discussions, including 4R’s recommendation, Sur La Table decided to move ahead on a rapid fast-track implementation schedule to capitalize on the crucial fourth quarter and holiday sales season.

“This is where I can really praise 4R for its customer-focused mentality. They were fantastic in terms of hustling and doing what I will call a sprint, an extremely fast launch plan. And amazingly, they were able to execute. We got it launched for the peak season,” said Kang.

The specialty retailer is also realizing a host of ongoing benefits based on the system’s ability to track, analyze and make precise SKU-specific recommendations. The system detects unique sales patterns and numerous other complex patterns to determine optimal inventory depth and assortment at the store level.



"It is really the benefit of the surgical analysis, which was impossible for us to do ourselves. The system really helped us. The results were across the board. When you talk about lost sales and inventory carrying costs, the gains we realized were huge and exactly what 4R predicted," Kang noted.

The benefits keep growing as the system incorporates more and more data over time and discovers new patterns and opportunities. Sur La Table has also recently implemented the vendor's Distribution Center Inbound module.

Beyond the system itself, Sur La Table attributes much of the success to the ongoing dialogue and close partnership with 4R.

"We have weekly calls with 4R, which is a huge asset. 4R is much more like a service than a product. It is great to have top partners always thinking ahead. We talk every week about the business, what we see and next opportunities," Kang said.

The company this year has been able to realize a huge reduction in inventory, with no drop in lost margin dollars or in-stock rates. "We had a Board meeting this week during which I shared those results, and I can tell you it was very, very well received." ♦

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Sur La Table is privately held and based in Seattle. The retailer sells a wide range of kitchenware products from cookware, cutlery and small electronics to tabletop, housewares, and outdoors. The company operates more than 100 stores across the United States as well as a website and a catalog. The company also offers cooking classes in most of its stores.

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