

4R Helped Boost Performance and Increase Productivity for The Vitamin Shoppe Retail Locations



Benefits At a Glance

- Upped inventory turns 30%
- Improved in-stocks from 90% to 96%
- Improved supply chain focus

"4R helped us drive in-stocks from 90% to 96%."

— Jason Scheffer, VP, Inventory, Transportation and Supply Chain Solutions

4R changed the focus from managing inventory to improving profit in the supply chain

Healthy inventory levels performed better, improved the customer experience and increased profit



Client Challenge

How much inventory is the right amount of inventory? The Vitamin Shoppe had a successful store model and had been scaling it effectively. However, it had challenges in precisely managing its inventory. The company turned to 4R Systems and implemented 4R's Store and DC Replenishment Optimized Inventory Service to help them answer this critical inventory question.

4R Solution

"4R's Store and DC Solutions have helped us drive significant improvements in our inventory efficiency and in-stocks," said Jason Scheffer, VP, Inventory, Transportation and Supply Chain Solutions for The Vitamin Shoppe. "4R helped us drive in-stocks from 90% to 96% while simultaneously upping inventory turns 30%. The service based solution gave us an unprecedented level of connection between our inventory management decisions and their impact on our business."

The Vitamin Shoppe sends 4R sales and inventory data on a weekly basis. 4R in turn applies its advanced inventory and supply chain algorithms to that data to generate profit optimized inventory levels. These results are merged into The Vitamin Shoppe's existing systems and drive store shipments and vendor orders. In terms of implementation, since the system leverages the existing infrastructure, there was very little development required to implement.

The Vitamin Shoppe team was focused on making their company a world-class retailer with great business performance. They were focused on results and when they found an answer that worked they moved quickly to capitalize on it.

4R completed its 3-step process (evaluate, prove, implement) in 7 months. During that period 4R analyzed historical data to estimate the profit improvement opportunity, then implemented a live pilot to prove out the results. The store inventory service was completed in April 2008 and the DC service in the summer of 2008. Since then, The Vitamin Shoppe has been ordering directly off of 4R's DC inventory models.

The Result

"4R has allowed us to refocus our resources on not just managing our inventory but improving our supply chain," said Jason Scheffer, VP, Inventory, Transportation and Supply Chain Solutions at The Vitamin Shoppe. "When we implemented 4R, we quickly saw 4R's models set inventory levels that made more sense and performed better. That allowed us to free up people who had been managing those levels and refocus them on working with vendors to drive better vendor service levels and lead-times. The combination of 4R, with our own supply chain improvement efforts has been the key to managing our aggressive inventory management goals."



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About Vitamin Shoppe, Inc.

Vitamin Shoppe is a multi-channel specialty retailer and contract manufacturer of nutritional products based in Secaucus, New Jersey. In its stores and on its websites, the Company carries one of the most comprehensive retail assortments in the industry, including vitamins, minerals, specialty supplements, herbs, sports nutrition, homeopathic remedies, green living products, and beauty aids. In addition to offering products from approximately 800 national brands, the Vitamin Shoppe also carries products under The Vitamin Shoppe®, BodyTech®, True Athlete®, MyTritition®, plnt™, ProBioCare™, Next Step™, Betancourt Nutrition and Nutri-Force Sports® brands. The Vitamin Shoppe conducts business through more than 700 company-operated retail stores and through its website, VitaminShoppe.com.

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