

4R Helps Off-Price Retailer Achieve On-Target Profits



Burlington
Off-Price Retailer




Headquarters
Burlington, New Jersey, USA

1.5 Million+
SKU/Store Combinations Managed by 4R



50,000 to 80,000
Store Size in Square Feet



\$4.8 Billion
Revenue



546 Locations
45 states and Puerto Rico + Online Store





Results

- Net sales increased 8.74% annually, or \$387 million
- Gross margin expanded by 160 basis points

"4R enables us to implement plans for each SKU/store combination, whether the target is to lower or increase inventory. Our inventory is turning better than plan and this positions us to maximize profit and improve the customer experience. Partnering with 4R has been a profitable decision."

—Mary Hall, Replenishment Manager

Burlington



Challenges

- Optimizing holiday inventory for major holidays like Easter and Christmas.
- Accounting for SKU Substitutability
- Accurate vendor order forecast projections.
- Seasonality at class/buyer/SKU level.

4R's Methodology

- 4R utilized its "look-ahead" parameter in anticipation of an upcoming high season. The look-ahead delivers the high reorder points earlier, allowing more time to process the large orders through the supply chain and pre-position inventory in advance of sales.
- This approach compensates for supply chain bottlenecks that occur during high volume periods.
- This protects against forecast timing errors.

Background

- Burlington is an American national off price retailer, with 546 stores in 45 states and Puerto Rico.
- Top competitors are T.J.Maxx, Ross Stores and Bed Bath & Beyond.
- The company offers fashion-focused merchandise, including women's, ready-to-wear apparel, menswear, youth apparel, baby products, footwear, accessories, home decor and gifts, and coats.
- In 2006, Bain Capital acquired the company and launched an IPO in October 2013.
- Ranks #91 In Forbes 2014 list of America's largest Private Companies: <http://www.forbes.com/companies/burlington-coat-factory/>.
- Burlington's Mission: Our goal is to provide exceptional value for our customers, our stockholders, our associates, and our communities. We remain focused on ensuring that Burlington Coat Factory is the place to find the right combination of style, selection, and value.

Results
Optimized sales and minimized excess inventory after peak sales period.

Flexibility to manage inventory level is to target.

