



Quantum Retail™

## **Famous Footwear leverages Quantum Retail's Allocation and Replenishment to reach higher Sales and Service**

A lot has changed in Brown Shoe's 130 year history but one thing that hasn't is the company's focus on innovation in product design and in the use of technology advancements to better serve their customers. Brown encompasses an easily recognizable group of consumer brands under their corporate umbrella including Famous Footwear, Naturalizer, LifeStride, and eight others. Through them, their shoes intersect with people of all walks of life.

Having grown to a \$2.6 billion global footwear company based on having a broad array of shoes for people of all ages and interests requires a focused approach. Getting the right shoes where and when customers need them is a monumental task. Today, Brown's shoes are sold through their own retail locations, in hundreds of major department and specialty stores, and on their own ecommerce and third party retail websites.

### **New Strides for Famous Footwear**

Maintaining an expansive distribution network designed to react to the ever changing wants of the customer is critical, as is coming up with solutions that are both efficient and cost effective. Towards this goal, Famous Footwear selected Quantum in 2012 to help them make better decisions to fully leverage their inventory investment.

First, Famous Footwear had a desire to improve service levels for their stores. The key to accomplishing increased sales was getting the right shoes in the locations most likely to sell through them at regular price. Accurate decision-making was critical for them because the size/width demands and other nuances at each store needed to be well understood in order to accomplish maximum profitability on both standard sized shoes but also maximizing the value of less common sizes.

Secondly, they were seeking to improve inventory balances amongst their stores, which meant locations that needed more of certain type of merchandise were able to get it in favor of other locations that held more inventory than necessary to meet their customers' needs. And especially, they needed a solution that would improve service levels while respecting in-store space constraints and ultimately deliver more profit per square foot based on varying floor space in their stores.

Lastly, at the local level they knew that seasonal shifts were having a major impact on store-level inventory needs and they needed to control the seasonality across all sales channels.

Famous Footwear had legacy Allocation and Planning solutions in place but they needed expanded analytics to better understand consumer demand at store-level and a responsive solution to react to that consumer demand quickly.

For tier one retailers, Quantum offers a unique value proposition that allows them to get the maximum return out of their inventory investment by understanding consumer demand both at the individual store level and comprehensively across all sales channels. The Q solution then layers that understanding against the merchandise and financial objectives

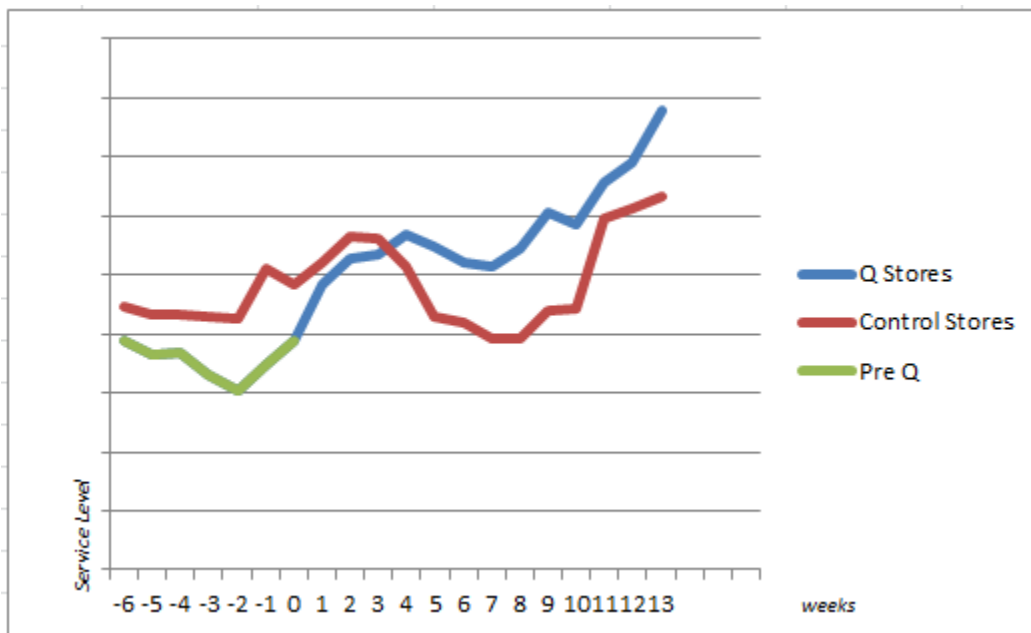
of the retailer to come up with specific actionable distribution recommendations to meet those goals. Famous Footwear recognized that Q would address a number of their challenges.

### The Path to Success

Since the initial deployment in 2013, the Q solution has been working behind the scenes to recommend optimal inventory levels for every product at every store and directing the flow of available inventory.

One of the most impactful improvements delivered by Q was increased service levels. Q delivered a consistent 4% improvement with only slightly higher inventory levels leading to higher sales and happier customers.

***“Quantum’s ability to help adjust the service levels for Famous Footwear has placed us in a better position to fully leverage the inventory we have while improving the service levels in all of our stores. This has been particularly effective in predicting our demand across store item size intersections and has allowed us to focus our teams and our inventory very strategically,” Mike Edwards, Vice President Merchandising and Sales Operations, Brown Shoe.***



Famous Footwear was particularly anxious to leverage the benefits of Q during peak periods such as Back-to-School. The feedback from their allocation team was that using Q allowed them to better predict store-level demand and to respond to inventory needs in a proactive manner.

The overall result was that Famous Footwear got their shoes to the right stores in a timely fashion and that their peak selling season was much more manageable than in years past.

## **See the Quantum difference for yourself**

As consumer demand has become less predictable and as retail buying patterns and channels have become more complicated many of the world's most successful retailers utilize Quantum's Q solutions.

Q helps retailers with both comprehensive and granular predictions of their product demand based on consumer behavior while also providing the ability to act on that intelligence. The Q system continuously learns and dynamically analyzes and then responds to changes in demand for every product and store location to maximize sales and profits for retailers of all types. The Q system is adaptable within the retailer's existing environment and works in conjunction with many of today's leading supply chain and merchandising platforms.

**Maximize high-value sales:** Quantum's comprehensive and granular responses to product demand give retailers a view to their consumers' demand coupled with the ability to quickly act on that intelligence for more full priced sales.

**Delivers the best brand experience across your channels:** Our solution gives retailers a way to continuously learn, dynamically analyze and then respond to changes in demand for every product and channel to present shoppers with the items they want, when and where they want to buy them.

**Getting the most from their retail experts:** Quantum's solutions offer the maximum flexibility and usability with an intuitive product design that allows retailers to focus on other parts their business and their customers. Our exception-driven interface, with built-in business alerts and workflow strategies provides both effectiveness and productivity in an easy-to-use solution.