

Industry: Sports Retail | **Headquarters:** Mazatlan, Mexico

Fast Facts

- Inventory Turnover improved by 14% (reducing 17 days of inventory), while improving same store sales
- •Aged Inventory (inventory aged more than 180 days) decreased by 20%
- Tail inventory decreased by 16%, corresponding to a saving of 30 million Pesos (~USD 1.5M)

Quote:

"Onebeat helped us to improve product availability and the quality of inventory in the different stores. It helps us to manage the catalog according to actual client preferences. The unique thing about this solution is its ability to simplify complex algorithms into an "easy to do" decision-making process that everyone in the company can understand and appreciate."

Jose Angel Reyes – Supply Chain Manager

Company Overview

Established 31 years ago, Dportenis is one of Mexico's finest sports retail chains. The Dportenis Group has 2000 employees and more than 300 stores under the brands Dportenis, DP Street, and DP Women. Forty-five of the stores are in the state of Sinaloa, with a strong presence in the Bajio, as well as in the northwest and southeast of the country. The Dportenis Group's goal is to become the leader in the Mexican market by providing excellent service and offering the best brands and products in the industry.

Key Challenges

Due to an inefficient method of handling the large number of style-size combinations typical of complex sports shoe inventories, Dportenis suffered from a high rate of stock-outs. They used software that only measured inventory at the Point of Sale. Since their main concern was protecting sales, they replenished SKUs on a one-to-one basis without regard to customer behavior, stock-outs, overstocks, or other important considerations. Visibility across the supply chain was very limited, and there was no mechanism to balance stock among the various stores – often leaving stores with high inventories or missing urgently-needed sizes. In addition, a lack of coordination between the Commercial and Logistics teams prevented strategic cooperation, standardized policies, and optimized decision-making. The general feeling was that as the company grew, the situation worsened.





The Solution

Dportenis began the implementation with Onebeat's Dynamic Buffer Management module. Analyzing daily consumption patterns enabled identification of the unique behavior of each SKU (style/size) per store, so the right inventory was available without amassing unnecessary stock - lowering the buffer when sales are low and increasing it as sales grow.

After stabilizing dynamic replenishments, Onebeat's Store Transfer module was implemented. Needed sizes were detected and transferred to stores as required, improving product availability and inventory levels.

Results

Once Onebeat was implemented and running, Dportenis experienced significant changes and measurable results. The entire operation became simpler and easier to control.

Product availability at style-color-size level in the store has considerably improved.

Stores that had long failed to reach sales goals began to achieve them. Inventory levels, including the behavior of each SKU in every branch, are continuously tracked, ensuring that products arrive at all stores in the required quantities, at the right time. Inventory turnover improved from 4.58 to 4.02 months. Complete planning of sales and inventories for the coming seasons are implemented, focused on the most critical issues.

The percentage of inventory aged more than 180 days decreased from 29% LY to 23%, and the amount of product reaching the Tail is down from 32 to 27 points - an improvement valued at 30 million Pesos.

Onebeat unified all departments. Everyone, from upper management to operational levels, has a clear understanding of procedures and policies. Planning, Purchasing, Replenishment and Logistics are coordinated, enabling a single, shared strategy across the entire organization, with decision-making that is simpler, faster, and smarter - ensuring continuous achievement of company-wide goals.

