

ALDO Group Gains Inventory Visibility, Optimizes Fulfillment with Fluent Commerce





Executive Summary

Canada-based ALDO Group has been a leader in fashion footwear, handbags, and accessories for over 50 years. Its products are available in over 1,500 stores under three retail banners—ALDO, Call It Spring, and GLOBO—in over 110 countries. At the forefront of technology adoption for retail for many years now, ALDO Group wanted to better serve its digital customers by optimizing operations and shipping orders directly from store inventory. Recently Fluent Commerce, helped ALDO Group unify its inventory data and optimize its fulfillment process. ALDO Group now has the capacity to manage more than one million stock-keeping units (SKUs), across hundreds of locations, and over 50 million inventory positions with a single solution.

About the customer

The ALDO Group is a Canadian multinational retailer with a network of over 1,500 shoe and accessory stores across more than 110 countries, with over 100 stores in South East Asia.

Benefits

- Gained near real-time inventory visibility
- Optimized order fulfillment process and pick and pack speeds, scalable even during peak periods
- Maintained consistent, minimal order cancellation rates even during peak periods

Managing Real-Time Inventory Visibility and Order Fulfillment

With an increase in omnichannel environments bridging the divide between ecommerce and physical stores over the last decade, consumer expectations have increased. Further fueled by changes brought by the recent pandemic, customers want better delivery speed, fulfillment accuracy and inventory transparency. ALDO Group has long seen an opportunity to deliver this and improve its overall customer experience. However, it was a complex undertaking, requiring real-time inventory availability and consumer proximity across hundreds of dynamic, active store fulfillment locations.



The first part of the challenge was achieving near real-time global inventory visibility by bringing together disparate sources. The second part was ensuring efficient and accurate order allocation in the face of complex scenarios, such as hundreds of fulfillment source options and multi-unit consumer order transactions. ALDO Group needed a distributed order management system (OMS) to address both challenges together.

As Pascal Hebert, IT director of store and order management applications at ALDO Group, explained, "You really need a lot of mechanisms and a lot of logic to make sure that you're exposing as much inventory as you can without overpromising and causing cancellations and consumer frustrations."

Watch the video here >

"A Perfect Fit"—Fluent Commerce Leverages MACH to Deliver Modern Tools

AWS Retail Competency Partner Fluent Commerce has the perfect solution with its advanced platform, Fluent Order Management. First, Fluent Order Management integrates data across sources and geographies to ensure that ALDO Group gains near real-time visibility of inventory across its warehouses and stores. This scale is made possible by leveraging <u>AWS Glue</u>, <u>Amazon Simple Storage Service</u> (Amazon S3), and AWS Step Functions. For the next step, the Fluent Order Management platform assigns inventory to customer orders based on predefined rules and priorities. This is achieved in sub-second response time via Amazon ElastiCache and AWS Fargate with Amazon Elastic Container Service (Amazon ECS). The solution enables complex allocation scenarios, such as allocating inventory from multiple warehouses and suppliers based on proximity to the customer, inventory availability, and shipping requirements. To support this process, the inventory transaction record utilizes the Amazon Aurora relational database service.

Built using Microservices-based, API-first, Cloud-native software-as-a-service (SaaS), and Headless (MACH) architecture, Fluent Order Management allows retailers and brands to adopt a tech stack that easily integrates with other systems and platforms. Developed on Amazon Web Services (AWS), the solution is designed to be flexible and scalable,



and allows ALDO Group to add new functionality and scale its operations without disrupting its existing systems.

"When it came to selecting an OMS, the flexibility of Fluent Commerce's offering stood out," explained Matthieu Houle, chief information officer at ALDO Group, "We need a platform that will not only meet the consumer expectations of today, but tomorrow's as well. That requires it to have the potential to exceed expectations as we grow the business, and we found Fluent Commerce's product has that."

ALDO Group Gains Near Real-Time Visibility with AWS

Fluent Commerce's platform helped ALDO Group to ingest inventory data from all its systems. This provided ALDO Group with a near real-time accurate view of inventory data and helped it make informed decisions about inventory replenishment, allocation, and fulfillment. Thanks to Fluent Commerce's close collaboration with AWS and its use of advanced data processing services, ALDO Group was able to process inventory data faster and more accurately than ever before.

Nicola Kinsella, senior vice president of global marketing, Fluent Commerce, said, "To ingest and process data at that scale, we've been working really closely with AWS tapping into some new services to be able to process that data faster and more accurately."

Fulfillment is Easier with Optimized Order Management

The new OMS has also optimized the fulfillment process because it recommends the optimal fulfillment path for each order based on near real-time inventory data and saves a lot of effort on duplicating data. Hebert added, "It's a lot easier for me to manage my inventory in my OMS because I know I'm always going to resync with my ERP and I won't have to duplicate all the use cases that my ERP is supposed to handle."

What's more, it gives ALDO Group's customers an accurate view of the stock in a physical store, so that they can choose to shop in person at the store which has the SKU they want.



After implementing Fluent Order Management, ALDO Group has been able to optimize their fulfillment and pick and pack processes. The easy scalability of the solution has meant that peak periods are no longer a source of stress. Customer expectations are met for order fulfillment times; canceled orders are minimal; and both the platform, and operations are stable even with high traffic.

Stepping into the Future

ALDO Group has been able to drive increased customer satisfaction, sales, and overall business success by optimizing its inventory management and order allocation processes. In addition, it is future-ready with a flexible foundation that can scale easily and integrate new services to accommodate changing needs. Plans include using advanced analytical techniques in its order fulfillment logic to further optimize its inventory.

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