



## 2022 Fashion Scholarships Fund Case Study

### SUPPLY CHAIN

3.15.21

#### **BACKGROUND:**

The initial shockwaves COVID-19 sent through the fashion industry's global supply chains in January of 2020 were just the beginning of its monumental impact. Initial concerns focused on the abrupt halt to overseas production and demand as Chinese and later Italian factories sent workers home and shuttered businesses. Over the course of weeks, these concerns shifted to the domestic market and local distribution networks. Shelter-in-place orders forced unprecedented national store closures, and the rapid drop-off in revenue forced retailers and brands alike to protect their cash-flow through massive furloughs, order cancellations, and refinancing. Well into April, it was clear that customer shopping patterns would be drastically different than anyone could have anticipated, with an overall speeding decline but an uptick in online spending and increased interest in loungewear, activewear, home categories, and beauty products, at the expense of declines in categories like work apparel, shoes, handbags, and social occasion merchandise. Once US retailers began to gradually open back up in late May and June, the industry faced new challenges associated with ensuring customers feel safe enough to venture back out into stores. Profitable merchandise sales were further challenged upon reopening by the need to liquidate excessive outdated stock and closure of multiple underperforming retail locations globally. In recent years, select fashion brands have slowly started to shift from traditional networks characterized by long lead times, maximizing order sizes, and relatively low flexibility by placing more emphasis on lower-cost supply chains. The COVID-19 pandemic is not an isolated event and offers an opportunity to accelerate transformation toward flexible demand-driven supply-chain models. Disruptions are increasing in frequency and magnitude, including geopolitical events, climate-related disasters and public health crises. As part of solidifying their supply chains, brands need to adopt increased in-season inventory management capabilities.

#### **OBJECTIVE:**

Given the abrupt changes in customer demand observed during the pandemic, in this year's case study, you will explore strategies to introduce greater flexibility in the distribution network and assortment planning process for a mono-brand of your choice. The brand must be a fashion apparel, accessories, footwear, home, beauty, or health & wellness retailer/brand. Your goal is to maximize inventory management agility in the increasingly turbulent world, while considering how your ideas will impact supply chain flexibility, costs, and risks. You will outline an action plan and include a pro-forma P&L for the first half of 2022 (Q1 and Q2), including any operating expense or margin savings that could help fund the investment required to support your plan.

## **FORMAT:**

Cases should be submitted as a minimum 11-page slide deck and maximum 17-pages with appendices. The slide deck should be in landscape orientation, with slides sized for on-screen show 4:3, 10" x 7.5". Submission files can be created in any software of the applicants choosing (PowerPoint, Keynote, Adobe InDesign, Illustrator etc.), however all **cases must be submitted in a PDF format** without video or sound.

No specific font or format will be enforced, and you are encouraged to utilize visuals throughout your presentation (all digital images used must be properly cited). It is advisable to not overload each slide with information, and to keep your presentation concise and to the point: each slide should take no more than 1-2 minutes to absorb by the reader. All references should be annotated in slide footnotes. If additional footnotes are necessary, you may add one (1) additional slide to the Appendix footnotes. Do not use hyperlinks in a footnote as the content cannot be accessed once the case study is converted to a PDF to upload.

**Do not include your name or college/university affiliation** on the title page or anywhere in the case study as the review process is anonymous.

Be sure to proofread your case study. Points will be deducted for not following format directions, as well as for grammar and spelling errors.

## **SUPPLY CHAIN: NETWORK AGILITY RESET**

You are the Chief Operations Officer for a mono-brand fashion company of your choice. Your objective is to redesign your distribution network and assortment planning process, with an ultimate goal to maximize the agility with which you can effectively manage inventory in an increasingly turbulent world. You will present your ideas along with a cost, risk assessment to your company's CEO.

**SLIDE 1:** Include one title sentence to summarize the case and discipline of your case study. Outline how your deck is broken out (suggested slide assignment below is optional).

**SLIDE 2:** Write an executive summary, covering all components of your case study. People reading your executive summary should get the essence of your case study without fine detail. The executive summary should be in paragraph format, no longer than 300 words.

**SLIDES 3-7:** Develop a new distribution footprint strategy to increase your brand's resilience during disruptions caused by geopolitical events, climate-related disasters, and public health crises.

- Identify how you would either diversify or consolidate your brand's wholesale channels, given both the recent store closures and rise of multi-brand and e-commerce platforms.
- Review all of your company-owned store formats, and propose any changes you would make to their operating model with focus on hedging against both overcapacity of unsold merchandise and outages associated with upstream production.
- Consider any updates to your direct-to-consumer distribution network aimed at increased agility, including ideas around alternate fulfillment strategies and facility repurposing.
- Outline any operating expense or margin savings that could help fund the investment required to support your strategy; detail out the impact for first half of 2022 (Q1 and Q2)

**SLIDES 8-10:** Determine what should be the top three most impactful levers in enabling flexibility in your supply chain.

- Consider focus levers within both supplier-to-brand and brand-to-consumer nodes; these could include but are not limited to speed to market decisions such as location of supplier, concentration of suppliers, store allocation, IT systems, etc.
- How would you ensure your suppliers and manufacturing partners can handle disruptions such as sudden shortfalls, demand spikes, or need to produce new products?
- What are some ways in which advanced analytics and digital innovation will play a role in your strategy's success?

**SLIDE 11:** Prioritize your immediate (6-12 months), near-term (1-3 years), and long-term (3-5 years) milestones based on both the overall impact to objective of increasingly supply chain flexibility and based on risk and cost consideration associated with your approach.

**APPENDIX SLIDES 12-17:** Use up to five slides to summarize any research you have done on best practices for evaluating promotional effectiveness. Use one additional slide for footnotes and a bibliography.

#### **JUDGING CRITERIA:**

Your case will be reviewed by industry professionals including the FSF Board of Governors, FSF Mentors, and FSF Alumni. Judges will use the following criteria to score your case:

#### **CREATIVITY & FEASIBILITY (50%)**

- Is the applicant's idea innovative and does it solve the objective of the case?
- Is the applicant's idea well-thought-out and conceivably executable?

#### **RESEARCH (30%)**

- Has the applicant completed exhaustive research on best-in-class market players and their retailer of choice in order to successfully fulfill the objective at hand?
- Has the applicant acknowledged any instances in which their idea (or something close to) has been executed in the past, and whether it was successful?
- Does the applicant display strong business acumen and common sense?

#### **CLARITY (15%)**

- Has the applicant clearly completed each portion of their prompt?
- Does the applicant's case follow logical development and a clear structure; is it easy to follow and summarize?

#### **FORMAT (5%)**

- Has the applicant used correct grammar and spelling?
- Has the applicant included a title page with one sentence to summarize the case?
- Was the student's name and school kept anonymous?

#### **REQUIRED DOCUMENTS FOR SUBMISSION:**

- 1) Completed FSF Case Study
- 2) Cover Letter: Please prepare a 250-300 word maximum cover letter containing your response to the following questions:

- Why are you interested in the fashion industry?
  - What are your current career aspirations?
  - Why have you decided to select your case study discipline?
- 3) Current Resume
  - 4) Current Unofficial Transcription

**DEADLINES AND ANNOUNCEMENT OF COMPETITION RESULTS:**

**April 1, 2021** - Wizehive, the digital platform used for case study submissions will open. Your FSF faculty member will provide you with the Wizehive link.

**May 1, 2021 – Complete your Applicant Profile and take the Eligibility Quiz on Wizehive.**

**October 18, 2021-** Submit all four of your required documents mentioned above on Wizehive **BEFORE 12:00 PM Eastern Standard Time.** Please be advised, the Wizehive portal will automatically close PROMPTLY at 12:00 PM. Be sure to allow sufficient time to upload all four required documents as the Wizehive submission portal will close at the scheduled time even if an upload is still in progress. If all four of your documents are not fully uploaded by 11:59 AM Eastern Standard Time, your submission will be disqualified. You will receive a **Confirmation of Submission** to your Wizehive Homepage that your submission process was completed.

**Announcement of Scholarship Results** - The Scholarship competition results will be sent to the FSF faculty member at your school by the first week of December. Your FSF faculty member will share the results with you.