

FASHION VALET

G-Lab 2019 | Kuala Lumpur, Malaysia



PROBLEM

FashionValet's design-to-shelf timeline is five months long. FV aims to reduce design-to-shelf timeline toward three months or less:

- To align with fast fashion best practices
- To reduce lag time between incurring cost and earning revenue

METHODOLOGY

Phase	Objective	Findings
1	<ul style="list-style-type: none"> • Benchmark FV's design-to-shelf timeline against industry leaders through secondary research and analysis 	<ul style="list-style-type: none"> • Fast fashion leaders require 1-4 weeks from design-to-shelf while traditional retailers require 24+ weeks
2	<ul style="list-style-type: none"> • Determine supply chain opportunity areas for FV's six in-house brands through primary research, including interviews and analysis of sales and production data • Select area of focus and pilot brand for Phase 3 	<ul style="list-style-type: none"> • While FV has longer sampling and production timelines, they lack demand forecasting which every fast-fashion leader rigorously employs
3	<ul style="list-style-type: none"> • Develop pre-production tool to better forecast demand and optimize order quantities 	<ul style="list-style-type: none"> • The brand manager and sales manager benefit from statistically predicting demand to place initial orders and correcting for slower than expected sales with smart discounting

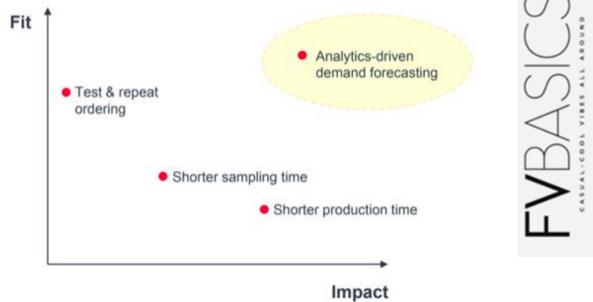
FINAL OUTCOME

Phase 1



Industry best practices identified as potential opportunities for FV to pursue

Phase 2



Demand forecasting selected as focus; FV Basics selected as pilot brand

Phase 3

Pre-Production Tool

Demand forecasting tool developed & implemented

Regression model inputs			
Material	Polyester	RRP	99
Category	Sweater	How many @vivvyusof posts?	1
Print	Text and graphic	How many @fvbasics influencers?	3
Color	Pink		
Neckline (if top)	Round		
Fit	Regular		
Regression model output			
Predicted demand	124		
Incorporate common sense and FV expertise			
Order quantity decision	120	←FV chooses this based on decision makers and predicted demand	
Optimal size breakdown			
UK 6	19	UK 14	12
UK 8	31	UK 16	3
UK 10	33	UK 18	0
UK 12	20	UK 20	0
Incorporate decision to overbuy/underbuy based on financial data			
Production cost	40		
Should FV overbuy or underbuy by 10%?			
Overbuy			
Final suggested order quantity	132		

Post-Production Tool

Pricing tool for newly-launched SKUs developed & implemented

Enter SKU: (data must be populated in Multi-SKU tool first)	10012061804
Expected quantity sold after 2 months:	161
Expected STR after 2 months:	98%
Expected months of inventory coverage:	2.2
Recommended ORDER action:	Consider ordering more or releasing in new colors
Recommended MARKET POSITIONING action:	Withhold from price changes/markdowns/discounts

