FLOOR & DECOR UNVEILS NEW LOOK

With Manhattan Demand Forecasting and Replenishment

OPERATIONS
Headquartered in Atlanta, GA
With 4 Distribution Centers (DCs) serving more than 130 stores

MANHATTAN SOLUTIONS
Demand Forecasting and Replenishment

CHALLENGE
Floor & Decor's rapidly growing business previously relied on a replenishment system that did not provide accurate order projections or demand forecasts because it was only able to look at DC level information when forecasting the DC.

SOLUTION
Floor & Decor decided to implement Manhattan's Demand Forecasting and Replenishment, part of Manhattan Active® Inventory, a state of the art solution with a single, holistic view of every aspect of your inventory strategy. Manhattan's Demand Forecasting and Replenishment solution maximizes return on inventory assets, aligns inventory with customer experience strategy, and applies intelligence to drive maximum innovation.

PROGRESS
Manhattan's solution brought together all warehouse and store data, giving Floor & Decor full inventory visibility and, in a short amount of time, is already providing a significantly better insight into true demand.

"The primary goal of the project was to improve order projections and long-range forecasts, allowing for improved purchasing and flow into the DC, and enhanced service at the store level. This will, in turn, provide better financial projections to business leadership to support Floor & Decor's rapid growth."

DARRYL ALDRIDGE, VICE PRESIDENT, INVENTORY AT FLOOR & DECOR

PUSH POSSIBLE

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FLOOR & DECOR AND MANHATTAN ASSOCIATES

FLOOR & DECOR ELECTS INVENTORY OPTIMIZATION OVER MANUAL PROCESSES

Floor & Decor is a leading specialty retailer of hard surface flooring, offering a wide variety of in-stock tile, wood, related tools, and flooring installation materials. Headquartered in Atlanta, Georgia, Floor & Decor was founded in 2000 and has become one of Fortune's 100 fastest-growing companies. Homeowners and professional contractors have access to a superstore selection at warehouse prices, with showroom quality available via multiple channels including retail, ecommerce and B2B.

With such a fast-growing business, Floor & Decor needed solutions that adapt to and support their rapid growth strategy. This includes the ability to facilitate rapid assortment changes in support of product evolution, improve short- and long-term forecast accuracy, reduce lost sales, streamline the inventory optimization of customized assortments by store, enhance the accuracy of long-range projections, utilize multi-echelon inventory operations and efficiently track forecast needs of product throughout its lifecycle. These goals could not be met with their legacy system. Instead, Floor & Decor often leveraged manual overrides to the inventory plan, such as adding extra days or safety stock at the DC and store level to compensate for each business challenge.

Floor & Decor needed a complete inventory transformation. Due to their long-standing success using Manhattan WMS and TMS, they turned to Manhattan for inventory assistance and began implementation of its Demand Forecasting and Replenishment solutions. The initial implementation spanned several months, as deployment was phased by department, with six groups in all. The final departments went live in the first quarter of 2021.

UTILIZING SOLUTION CAPABILITIES TO DRIVE EFFICIENCY

The legacy software was only capable of forecasting at the DC level based on total sales, but with Manhattan, the new solutions deliver more comprehensive abilities. By using order projections rather than sales forecasts to support DC buying, shipping units of measure are always considered, ultimately providing a better understanding of true purchasing needs versus raw sale needs.

The new solutions offer the ability to automatically select the best forecast policy for each SKU, based on analyzing numerous factors. This aligned with the nature of Floor & Decor's varied assortment of SKUs, many of which have long lead times and are primarily shipped to stores in pallets. Those capabilities – combined with applied intelligence such as Advanced Exception Management, which ensures the system and its users can maintain SKU forecast health by providing meaningful exceptions and excluding those which do not drive meaningful changes to inventory objectives – were key factors in Floor & Decor's decision to switch to Manhattan Active® Inventory.

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GOALS AND RESULTS

With Manhattan's Demand Forecasting and Replenishment solutions, Floor & Decor's end goal is to improve demand forecast accuracy, in-stock levels and inventory turnover, as well as reduce non-productive inventory across its entire supply chain network.

Ultimately, the implemented solutions improve product flow into the DCs and out to the stores, enhancing the stores' ability to service customers while minimizing total network inventory. Since implementation, the solution has improved processes by quickly sensing and responding to new SKU sale patterns, rapidly identifying and reacting to trends, improving the systematic allocation of transition SKUs, managing one-time events (such as hurricanes) and better managing backorder SKUs.

"Working with the Manhattan Implementation Team was great. It was very much a team effort between Manhattan and Floor & Decor. Before Covid, the Manhattan team was on-site daily, and they were viewed more as an extension of our Inventory and IT teams at Floor & Decor. Once moving remote, it was much the same, but through Teams. Floor & Decor has only just begun working with Manhattan Associate's customer support, but so far, so good."

DARRYL ALDRIDGE, VICE PRESIDENT, INVENTORY AT FLOOR & DECOR

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