RIVERLOGIC

Real decisions. Optimized.

THE MODERN RETAILER IN THE ERA OF RESILIENCE

Retail is no longer just about buying and selling. Modern retailers navigate growing complexities–from supplier networks to customer demands–while striving to improve margins, manage risk, and support growth.

Advanced solutions are a must. Leading retailers are moving beyond traditional network design tools -- which focus narrowly on logistics and transportation -- and adopting Value Chain Optimization. This broader approach integrates supplier contracts, financials - including taxes and duties, risk and sustainability to align the supply chain with corporate goals, often a significantly higher level of granularity.

River Logic's Value Chain Optimization™ is the only solution that empowers retailers to confidently optimize, quantify, and adapt to change–delivering measurable, long-term results.

Discover how top retailers are solving their toughest challenges with River Logic:

Optimizing Freight for Global Retail Operations

The Challenge

A Fortune 100 off-price retailer with a complex global network needed to optimize freight flows from source countries to domestic distribution centers (DCs). The challenge involved managing fixed volume percentages across numerous Direct Import Lanes, Domestic Consols, and Port Consols, while addressing constraints like freight rates, over-the-road (OTR) distance caps, and capacity limits.

The Solutions

The retailer implemented River Logic's Value Chain Optimization solution to model distinct scenarios, optimizing both Direct Import and Domestic Freight flows. The solution's flexibility allowed the modeling team to incorporate key constraints, including:

- Freight rates based on historical data and benchmarks.
- New OTR distances capped at specific miles.
- Exclusion of specific domestic markets.
- Consol capacity capped at 50% of current volume.
- Fixed volume allocation between Direct-to-DC and Domestic-to-Consol flows.

The Results

- Identified changes to Ports of Entry, reducing ocean freight costs.
- Consolidated shipments to Domestic Consols, lowering handling costs and improving transit times.
- Recommended adjustments to Port and Consol locations, uncovering potential savings.
- Enabled dynamic modeling for ongoing merchandise flow adjustments as volumes and freight rates fluctuate.
- Supported the development of a new import allocation strategy, driving significant cost efficiencies.

Optimizing Demand Allocation for the World's Largest Furniture Manufacturer

The Solutions

River Logic's Value Chain Optimization™ solution enabled the company to build a comprehensive end-to-end model that addressed these complexities. The solution provided:

- Sole sourcing enforcement while maintaining service levels.
- Minimization of landed product costs to customers, including production and logistics expenses.
- Accommodation for packaging variations by manufacturer for identical products.

The Challenge

The world's largest furniture manufacturer faced critical challenges in optimizing its network to better allocate demand across production facilities. Key issues included:

- Managing sole sourcing constraints from manufacturers to distribution centers (DCs) and customers.
- Minimizing total operational costs, including production and logistics.
- Accounting for variations in package sizes for identical products across manufacturers.

The Results

- Maximized Net Income: Identified opportunities to optimize demand allocation and improve profitability.
- Enhanced Service Levels: Balanced inventory and met demand with greater efficiency.
- Improved Performance: Replaced an existing in-house optimization system, significantly improving times and decision-making.
- This advanced optimization approach allowed the company to better align its operations with customer demand while driving operational cost savings.