

## Burlington Coat Factory Warehouse Corporation

- 350 retail stores in 42 states
- \$2.84 billion in sales
- 23,000 employees
- Recognized by *RIS News* as a top 50 retailer in best fusing IT solutions with corporate vision

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— Al Soltanian  
Project Manager  
Burlington Coat Factory  
Warehouse Corporation

# Burlington Coat Taps Supply Chain Solution to Achieve Vendor Collaboration Strategy

Burlington Coat Factory Warehouse Corporation, a U.S. department store retail chain offering high quality, designer merchandise, faced rising costs from non-compliant shipments to its distribution centers as the company continued to increase the number of its stores nationwide. Burlington recognized a need for an effective vendor compliance system to hold vendors accountable to its shipping requirements, cut costs, reduce shipment errors and improve the flow of merchandise through its supply chain operations.

Burlington Coat Factory (BCF) stores feature outerwear, apparel, shoes, accessories for the entire family, baby clothes, furniture, toys, home decor items and gifts. The company serves approximately 350 stores in 42 states, principally under the Burlington Coat Factory name, and has annual revenues of \$2.84 billion.

## The Challenge

Among the issues BCF encountered with vendors' shipments were improper merchandise packing; misprinted packing slips; improper style, color and size substitutions; damaged goods and late shipments. These trouble shipments had to be removed from the normal processing flow, and additional staff, space and resources were required to resolve the problems.

Such critical issues were preventing the company from achieving its strategic plan of reducing costs while maintaining or improving service levels. BCF realized the only way to resolve these issues was to collaborate more effectively with its vendors. The company sought a technology solution that would automate and streamline the process.

## The Solution

BCF partnered with Compliance Networks to implement the Retail Compliance Management Solution (rCMS). The solution, which was implemented throughout BCF's entire distribution system, immediately illuminated an array of vendor routing, shipping and packaging violations. With the increased visibility that rCMS provided for monitoring and managing shipment problems, Burlington Coat Factory began improving flow to its stores for distribution center shipments – a critical requirement for achieving its goals.

## The Results

The enhanced visibility provided by rCMS enabled Burlington to effectively communicate with vendors as soon as shipments were identified as out of compliance with BCF's routing and shipping requirements. The net result was a dramatic reduction in the number of trouble shipments, increased fill rates, and

ongoing improvements in supply chain performance:

- Increased distribution center capacity
- Enabled crossdock growth
- Reduced distribution cost per unit by 8 percent
- Boosted distribution center productivity by 14 percent
- Cut distribution center cycle time by more than 40 percent
- Eliminated 63 percent of problem shipments

“The rCMS solution was directly responsible for reducing costs and for a marked reduction in trouble tickets. It also produced improvements in distribution productivity, flow and service levels,” said Al Soltanian, project manager for Burlington Coat Factory. “Prior to implementing rCMS, we had a weekly average of 220 trouble tickets – a number that is now down to about 50. The system also significantly reduced our returns to vendors, leading to more productive use of floor space.

“As vendors began to comply with such basic requirements as carton markings and consistent packs, it cleared the fog and helped us achieve vendor compliance with other requirements that were more specific to the way we do business – faxing packing slips in advance, for example.

“rCMS provided functionality and information that enabled effective cost control,” Soltanian said. “Our distribution centers are lowering their cost per unit, and we feel this is a direct result of implementing rCMS. Once we started to see corrected behavior on rudimentary requirements, it allowed us to move goods through the distribution center faster. This, in turn, exposed internal bottlenecks and allowed us to address issues previously hidden by the volume of goods held in trouble.

“With the additional visibility we have received from Compliance Networks, we are now seeking to implement supply chain predictability. We are looking at fill rate, comparing it to shipping time relative to the shipping window, and then getting this information to the buyers to create and adjust orders accordingly. Our goal is to pull the distribution centers, buyers and vendors into a three-way partnership with everyone sharing the same information.”

### Compliance Networks

Compliance Networks is a leading provider of solutions that enable retail enterprises to optimize flow within their supply chain, and make informed supply chain decisions that ultimately increase shareholder value. Compliance Networks’ suite of retail-centric distribution management solutions enables greater supply chain efficiencies by automating key processes, including vendor compliance and collaboration, vendor scorecards and certification, chargeback management, purchase order fill rate and accuracy measurement, and supply chain alerts.

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## Retail Compliance Management Solution

- Offers a single-source supply chain data warehouse with cross-functional visibility and reporting
- Enables true collaboration among vendors, distribution and merchants
- Alerts buyers and distribution when a vendor is about to fail
- Reduces compliance failures, cuts costs and boosts profits
- Improves supply chain dependability and performance, and customer satisfaction, together which boost shareholder value
- Provides self-funded solution through a unique “pay for performance” business model