

From Multichannel
to Omnichannel:
Red Wing Shoes
Fulfillment
Transformation
Takes Flight

SUCCESS STORY



Snapshot: Red Wing Shoes

Industry

Footwear and apparel
Retail

The Challenge

With a global distribution network and a multitude of sales channels, Red Wing Shoes wanted to modernize its multichannel commerce model across its business, which includes B2C, wholesale B2B and B2B2C sales. **Understanding that customers expect their digital and omnichannel experience with Red Wing Shoes to match the high quality and craftsmanship of their footwear**, the company went through a digital transformation that included a new order management system (OMS) and e-commerce platform. Red Wing Shoes sought to achieve more flexibility, efficiency and accuracy across its order fulfillment, returns and finance operations to provide an enhanced customer experience.

The Solution

OrderDynamics®, implemented by Tecsys, allowed Red Wing Shoes to virtualize its inventory across multiple banners and sales channels, streamlining the order process via data-driven algorithms and intelligent order orchestration. As the company calibrates its strategy for the post-pandemic marketplace, it now has the system in place to provide flexibility, scalability and efficiency throughout its fulfillment network to match the dependability of their work boots.

The Benefits

Among the many features, some benefits of the OMS are: real-time inventory visibility, inventory virtualization, order processing, order routing, order consolidation, returns management, store fulfillment, invoicing and executing payment transactions. It also provides a flexible REST API layer, providing Red Wing Shoes with the tools to build further integrations.



About **Red Wing Shoe Company**

Red Wing Shoe Company is a global leader in the design, manufacture and distribution of work, safety and lifestyle footwear and apparel. Founded in 1905 in Red Wing, Minnesota, the company began by supplying comfortable footwear to workers in the mining, farming and logging industries. That legacy of purposeful craftsmanship continues today with the premium line of Red Wing® work footwear, workwear and accessories, known the world over for dependable design and durable construction.

The company has also expanded to introduce several other brands, including Irish Setter® footwear for hunters and workers who seek uncompromising quality and technological innovation; Vasque®, a pioneer of performance hiking footwear; WORX™, a trusted brand for the industrial safety footwear market; and S.B. Foot Tanning Company, one of the largest U.S. producers of fine tanned leather for footwear and leather goods.

These brands are distributed to more than 110 countries in an immersive multichannel environment of more than 525 Red Wing retail stores, third-party partners and owned e-commerce platforms. The Red Wing Shoe Company employs more than 2,000 employees worldwide and operates two U.S. manufacturing facilities in Red Wing and Potosi, Missouri.



110 countries

525 stores

2,000 employees





Challenges

With such a wide-ranging supply chain and multichannel commerce model across different brands and countries, Red Wing Shoes knew it was time to add more flexibility, visibility and scalability into its fulfillment, financial and inventory management systems. In a fast-moving business landscape where customers have multiple shopping and shipping options, order fulfillment – all the steps that occur from when a customer confirms an order to the moment they get the package – is a crucial and highly differentiating factor.

Previously, Red Wing Shoes relied on multiple siloed buying channels that limited the company's ability to provide seamless shopping experiences. The company wanted to further integrate front-end sales channels with back-end data and processes and develop an omnichannel commerce strategy that facilitates positive seamless experiences for customers however and wherever they shop.

Embarking on a full digital transformation is an all-encompassing task for a company. The process of researching, vetting and selecting your chosen vendors is lengthy and intensive as the consequences of your decision will be felt for a long time. "I was very impressed by the senior leadership from Red Wing Shoes and their thorough vetting and selection process. Their vision planning has helped shape some of our future processes and decisions," said Peter Brereton, president and CEO of Tecsys.



"We turned to Tecsys to help us modernize our omnichannel infrastructure and the results have been very positive. From selection through to implementation and execution, the Tecsys team helped us chart a course for more resilient and more profitable retail fulfillment operations. Not only does the Tecsys platform enable us to fulfill orders more economically through consolidation and dynamic routing, but we are also able to cater to a new segment of digital consumers by providing more channels, more flexibility and better access to inventory. We are agile in our online order fulfillment capabilities, and we know that we are in good hands with the team at Tecsys."

Dennis Keane

CIO

Red Wing Shoes

Solution

After exploring several options, Red Wing Shoes decided to implement OrderDynamics®, Tecsys' OMS solution, because of its advanced out-of-the-box functionality configurability and open API layer. This would support Red Wing Shoes for future integrations, modifications and enhancements to be done in-house, efficiently and effectively as the company's needs evolve.

Working side-by-side, the Professional Services team from Tecsys and the Project team from Red Wing Shoes collaborated to ensure a successful implementation. The Red Wing Shoes team exemplified professionalism, attention to detail and an easiness to work with that was very much appreciated by their counterparts on the Tecsys side. "There are ups and downs with all implementations, but the impressive thing about working with Red Wing Shoes was that we could always rely on consistent communication between everyone involved to ensure we got to the finish line and had a successful go-live," said the business systems analyst at Tecsys.

OrderDynamics® empowers Red Wing Shoes to manage orders and fulfillment across different sales channels, as well as expose accurate available-to-sell inventory. Red Wing Shoes also heavily uses the inventory management and virtualization functionality in the OMS to segregate inventory by different brands and across different sales channels. Next, the company is looking to enable store fulfillment in the future with Omni™ OMS.

Apart from the above, Red Wing Shoes also has integrations established from OrderDynamics® with external systems in their ecosystem.

Some of them are:

- OCAPI integrations for exposing virtualized inventory.
- Support for different order types.
- Fulfillment integrations for sending shipments and receiving updates.
- Payment gateway integrations for performing payment transactions.
- Tax integrations with external providers.
- Invoicing use cases for different payment methods.
- Notifications through Microsoft Azure Service Bus.
- Email integrations with external providers.

As Red Wing Shoes continues to calibrate its strategy for post-pandemic commerce, OrderDynamics® will give its managers the flexibility to adapt to sudden shifts in buying patterns and fulfillment expectations.

Indeed, flexibility is at the core of OrderDynamics®. It underpins a B2B2C process for Red Wing Shoes, in which the retailer acts as a logistical intermediary in facilitating the end-to-end buying journey. This fulfillment channel gives customers of Red Wing Shoes and its subsidiary brands a unified and convenient digital shopping experience through multiple avenues, allowing the retailer to digitally extend access to its products without the requirements and constraints of traditional retail infrastructure.

Whether shipping from business-to-business or warehouse-to-customer (via retail node), the system connects Red Wing Shoes' different channels, adding depth and options to the company's commerce strategy. The agile infrastructure allows managers to account for shipping rules, order routing specifications, inventory pools and more.



Future Expansion: Store Fulfillment

If Red Wing Shoes decides to expand OrderDynamics® to its retail stores

- adding in-store pickup, online purchasing or shipping functions
- Tecsys can easily configure the solution to work in the new commerce environment.

Benefits Achieved

Inventory Visibility and Virtualization

Inventory visibility provides details to shoppers and store associates on the number of items that are in stock. This information is conveyed online to shoppers on e-commerce platforms and websites, meaning they won't be disappointed by placing an order for an item that's not available. With real-time inventory visibility, there are no surprises – and no frustration over canceled orders.

In Red Wing Shoes' current case, the company uses advanced inventory virtualization rules to segment its inventory by brand within the system, ensuring that merchandise planning and allocation by channel and brand are accurately reflected within the commerce ecosystem, regardless of whether it is being stored within one location (a distribution center) or multiple locations.

Order Routing

Order routing is another key function of OrderDynamics®, which takes orders from e-commerce websites and sends them to warehouses or distribution centers based on the available inventory and geographic proximity to the customer. At that point, an associate gets the order via an interface and picks and packs the shipment.

The days of shipping a product halfway across the country when there's a more efficient, closer option are long gone. Order routing helps Red Wing Shoes fulfill its B2C orders utilizing its brick-and-mortar stores as inventory nodes, to fulfill online orders as quickly and cost-effectively as possible, making use of inventory locations closer to their customers. It also provides the flexibility to change fulfillment priorities as business dynamics and customer needs shift.

Customer Returns Management

Even with an enhanced and upgraded supply chain, customer returns are an inevitability. OrderDynamics® includes a centralized system of record that enables associates to process customer returns more quickly by not requiring receipts. The functionality also allows for tracking and re-inventory of returned items, and real-time processing means associates can quickly restock the item for sale.

The system also allows Red Wing Shoes to handle cross-channel returns – also known as buy online, return in-store (BORIS) transactions. This enables retailers to save on additional shipping fees that arise when sending a return back via a courier, and supports further sales by encouraging customers to come to a location.

Order Orchestration

Red Wing Shoes has a complex, dynamic business model, selling both directly to customers and wholesale to other stores. But OrderDynamics® is nimble and comprehensive enough to handle the demands of these varying aspects of Red Wing Shoes' business and can help streamline operations and remove errors or redundancies by bringing everything together under one system.

OrderDynamics® automates many stages of order processing, acting as a kind of central nervous system for the supply chain and eliminating the need for separate warehouse management platforms. No matter how complex or idiosyncratic the business model, OrderDynamics® offers digital transformation solutions to facilitate cost and operational efficiencies.

Invoicing and Seamless Financial Transactions

The capability to support several financial transactions and the payment methods used by its customers was of utmost importance to Red Wing Shoes. OrderDynamics® can manage the different sales channels and invoicing use cases for Red Wing Shoes to ensure customer sales, refunds and credits are executed seamlessly. Furthermore, Tecsys established unified, flexible and scalable integrations with downstream systems to ensure the Finance team at Red Wing Shoes is able to retrieve the accurate information and make informed decisions.



Speak to a Retail Supply Chain expert



About **Tecsys**

Since our founding in 1983, so much has changed in supply chain technology. But one thing has remained consistent across industries, geographies and decades – by transforming their supply chains, good organizations can become great.

Our solutions and services create clarity from operational complexity with end-to-end supply chain visibility. Our customers reduce operating costs, improve customer service and uncover optimization opportunities.

We believe that visionary organizations should have the opportunity to thrive. And they should not have to sacrifice their core values and principles as they grow. Our approach to supply chain transformation enables growing organizations to realize their aspirations.



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