



# Crystal Case Study



**Industry:** Fashion | **Headquarters:** Medellín, Colombia

## Fast Facts

- **Reduction** in overall store inventory **by 50%**
- Availability **increased by 70%**
- Effectiveness and profitability **doubled** within each store

## Company Overview

Crystal is a Colombian textile company renowned for successfully penetrating the retail market with its own brands. It's one of the leading producers and retailers of apparel and footwear in Latin America, producing and marketing Gef, Punto Blanco, Baby Fresh, Galax and Casino brands. Crystal has over 100 stores in Colombia, Venezuela, the Dominican Republic, and Costa Rica, amongst others, and 5 distribution centers to ensure flexibility, competitiveness and efficiency.

## Key Challenges

Crystal was faced with the following challenges:

- Stock levels within stores **were not managed effectively** - ending each season with a high quantity of surplus stock, thus forcing substantial markdowns
- At the same time, **availability of bestselling products was a problem** within many stores, despite the ability of the company to produce them within the season
- Stock did not appear to be **as fresh** as it should
- Although able to manufacture within the season, it was almost **impossible to connect the sales trends to the production plan**

Crystal wanted one system that would control all parts of the supply chain, from the stores to the production of raw material, as part of the new holistic operational approach of the company.



## The Solution

Crystal started to focus on the flow of each aspect of the operation, especially within its own stores.

Crystal chose Onebeat to remedy their issues.

They selected Onebeat, not only as their solution for inventory management within its stores and WHs, but to bring valuable knowledge from the market into their production facilities, using Onebeat's holistic approach.

The transformation began by establishing a mechanism for the replenishment of relevant SKUs (according to consumption and availability). The main goals of that mechanism, were to serve the real demands of the market and to achieve a shorter response time.



## Results

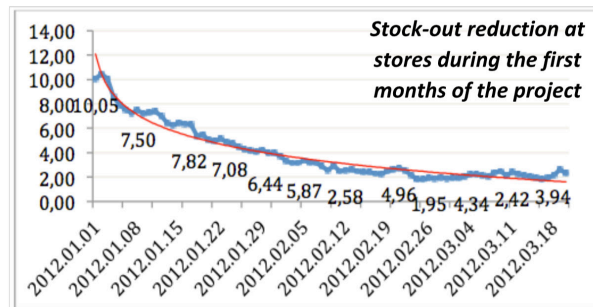
Using Onebeat, Crystal achieved dramatic improvements in its performance. The results of using Onebeat's modules were evident, mainly in the level of service, the level of shortages and in inventory turns; all of which were achieved within the first few months after implementation.

The highlighted areas of improvement, sustained over time and identified by the company, are:

- **Profitability** of the stores doubled
- **Inventory** was reduced by 50%
- **Response time** was reduced by 70%
- **Stock-outs** dropped by 70% (as shown below)

By using Onebeat, Crystal successfully managed its inventory and maintained the necessary stock levels. This in turn led to a remarkable increase in sales and in inventory turns.

| KPI              | Estimate                  | Real                                  | Validation |
|------------------|---------------------------|---------------------------------------|------------|
| Stock outs       | <50%                      | <70%                                  | Superior   |
| Availability     | >95%                      | >93%                                  | Validated  |
| Lead Times       | -20-30%                   | -50%                                  | Superior   |
| Delivery on time | >90%                      | 90%                                   | Validated  |
| WIP              | -30%                      | -30%                                  | Validated  |
| Urgent (reds)    | 10% reds PWH, CDC, stores | 10% blacks, 15% reds PWH, CDC, Stores | Validated  |



After using Onebeat for only 2.5 months, Crystal succeeded in lowering the shortage levels significantly (around 70% less).