CUSTOMER STORY

Moleskine

Moleskine Turns the Page and Optimizes Its Supply Chain

Challenges

Moleskine had to manage supply chain planning across increasing brand complexity in a mix of make-to-stock and make-to-order environments. They needed a demand forecasting tool that would increase service levels and reduce working capital.

Industry

- Consumer Goods

Solution

- Demand Forecasting & Planning
- Inventory Optimization
- Replenishment

Results

- 70% improvement in sales forecast accuracy
- Reduced working capital by 15%, increasing profitability
- Increased shelf-fill rates reduced lost sales at point of sale

Company Overview

In 1997, Milan-based Moleskine resurrected the fabled notebook used by artists and thinkers, and has now grown to sales of more than 16 million products per year. The Moleskine Group includes operations in Europe, the Americas and Asia.

Project & Objectives

The Operations Director at Moleskine®, Stefano Giani, has a unique job. He helps maintain the tradition of the legendary notebooks used by artists and thinkers over the past two centuries—among them Vincent van Gogh, Pablo Picasso and Ernest Hemingway. Yet Giani does it in a uniquely modern way. As Moleskine has evolved from 19th-century Parisian roots, it has launched new product lines and services to bridge the gap between the analog and digital worlds.

Across differing channels and service models, Moleskine sustains its singular blend of tradition and innovation. So Giani finds himself managing supply chain planning across increasing brand complexity.

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The company now produces 1000 SKUs in a mix of make-to-stock and make-to-order environments. It maintains a high product innovation rate, 20% annually. And it serves 25,000 points of sale in 105 countries, across channels as diverse as direct retail, direct e-commerce, B2C and B2B. "We have to manage an unusual demand profile, with dynamics similar to the fashion industry," Giani says. "Rapid product innovation and lengthy lead times created a disconnect between actual sales and inventory replenishment. We needed a demand forecasting tool that would increase service levels and reduce working capital."

"We have business models that not only vary by channel—B2C, B2B, direct e-commerce, direct retail—but also vary within the same channel," he adds. "In B2C, Moleskine operates in some markets through direct sales to retailers, with distribution done through a 3PL; in other segments, large distributors manage procurement and distribution. Consignment stock is another model; Moleskine oversees stock planning, and delivers goods to the distributor's hub."

Day to Day

Moleskine installed SO99+ from ToolsGroup to plan and optimize its supply chain. The software calculates demand forecasts, optimizes inventory and generates procurement proposals for managing distribution and replenishment, based on consolidated demand forecasts and service policies that support the retail and e-commerce channels.

SO99+ forecasts and plans via a service-driven model. Beginning with the desired service level, the solution takes into account logistical constraints to calculate optimum inventory level, critical parameters like safety stock and reorder levels, and replenishment proposals.

The software uses quantitative and qualitative data to generate reliable demand forecasts that identify inventory optimization and balance points. This helps Moleskine improve operating results in the complex scenarios driven by its varying channels and market demand.

SO99+ helps Giani manage both Moleskine's B2C channel variants and its B2B channel, where planning and execution vary by quantity and customization. For light customization, products from Moleskine's macro-hubs in North America, Italy, and Asia are assigned to a local agency for customizing.

Results

With SO99+, Moleskine achieved a remarkable 70% improvement in sales forecast accuracy. That translated into greater supply chain visibility, increased shelf fill rates, reduced lost sales at the point of sale, and lower inventory— and helped Giani better manage the supply chain behind the complex brand strategy.

Moleskine also reduced working capital by 15%, increasing profitability and also freeing working capital to fund growth. This included Evernote Notebooks, for users who want to create digitized versions of handwritten notes; specials like a Hobbit notebook; and even iOS, Android, and Windows Phone applications. Freed capital also financed new sales channels, in travel locations like train stations and airports, to deepen Moleskine's geographic spread.

+ About ToolsGroup