

RGIS[®]



"RGIS has played a major role in helping our company to maximize selling opportunities by attaining more accurate inventory metrics."

-Global Sporting Goods and Sports Apparel Manufacturer

Teaming up with RGIS to keep product inventories on track.

The RGIS Difference



SUMMARY

A sporting goods (SG) company in Europe comprises 145 stores across 20 countries. RGIS has been performing regular, cycled inventories for this business since 2005.

Historically, the stores worked in isolated groups making localised decisions. Now, in addition to a new, centralised corporate structure, (SG) company has rolled out a SAP-based retail system for inventory control. RGIS was instrumental in helping to migrate all of (SG) company's European stores from eight diverse back-office systems to the single SAP-based system.

As a result of these changes, the personnel are now able to view the stock files in all stores from (SG) company's home office, and strategies can be determined and implemented across all countries in a coordinated manner. Another major benefit is that (SG) company's retail business can now make informed decisions based upon the accurate streams of information RGIS continues to provide and that (SG) company can review centrally.

As store bookstock files continue to be updated, information is shared with the buyers, supply chain, profit protection, and retail—regardless of whether the store is in Ireland, Hungary, Germany, Estonia, or any of the numerous other countries in which (SG) company does business.

(SG) company has benefited from the efficiencies and cost savings RGIS was able to provide due to RGIS's established and extensive reach and experience in the countries where (SG) company's products are sold.



COMPANY OVERVIEWS

RGIS

RGIS is the largest and most reliable provider of inventory management services in the world. With more than 400 offices and over 40,000 highly trained employees, RGIS offers neighborhood service coupled with international coverage. Decades of experience, unparalleled quality control processes, cutting-edge proprietary technology, superior training and an obsession with accuracy, lead more businesses to choose RGIS for their inventory stock counts than any other inventory company in the world. Since 1958, RGIS has performed millions of inventory audits, meticulously counting billions of items for companies all over the globe. Whether it is for a single-location business or the large retailer, RGIS performs retail, warehouse, distribution, and specialty inventory audits throughout the Americas, Europe and Asia.



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■ PROBLEM

Historically, (SG) company's retail business across Europe had operated in a diversified manner, with management in each country operating independently. Many of the retail stores were owned and run by licence holders and franchisees. Many had implemented different stock management systems which were unfamiliar with (SG) company's corporate office. These inconsistencies meant that the company was working with unreliable data with regard to line-level stock information, financial valuation information, and shrinkage, making it extremely challenging to centrally manage fundamental retail disciplines.

(SG) company made the strategic decision to gather the standalone retail businesses and realign them under the management of the corporate office. At that point, (SG) company was managing eight separate stock management systems in countries stretching from Ireland in the West, Italy in the South, Poland in the East and Finland in the North. Each had an independent inventory program that often resulted in the same product being identified in different ways across different systems. Barcode styles and labeling were also inconsistent.

As a result, (SG) company decided to implement a SAP-based retail system across all of its stores to better view stock movement within all stores, with the added goal of creating one stock product file for use across all countries. Next, (SG) company needed to find an inventory company with the reach and auditing experience to cover stores across such a broad expanse of European countries and with the systems savvy to be able to interface with multiple systems and file types. That's when they called RGIS.

■ SOLUTION

The RGIS Process

In selecting RGIS for overseeing the inventory aspects of the project, (SG) company gained a business partner that was uniquely suited to address the project's short-term and medium-term requirements.

Cycled inventories

Short term, (SG) company needed to immediately upgrade the accuracy and integrity of the stock information that was being uploaded to its systems. Beginning in 2005, RGIS and (SG) company worked together to develop an inventory methodology that included RGIS developers building customized inventory programmes for integrating with the existing eight back-office systems in place in (SG) company's retail locations across Europe.

After the programmes were built and tested, RGIS inventory crews from its established infrastructure of 40+ regional European offices began delivering inventory results to (SG) company almost immediately. The project capitalized on wireless technology introduced by RGIS in the form of its proprietary RM-1™ handheld data collectors.

This initial inventory project has since evolved into regular RGIS inventory projects at every (SG) company store in Europe.

Migrating to the SAP retail system

In conjunction with the ongoing inventory cycles performed by RGIS's trained workforce, (SG) company began rolling out the SAP retail-based back-office system on a store-by-store basis across the same 20 countries.

One key requirement for migrating (SG) company stores from the eight diverse back-office systems to the single SAP retail system involved scheduling RGIS to perform an inventory at every store one week ahead of each store's migration to the new SAP system. That meant All RGIS auditors associated with the migration process were obligated to the strict migration date set by (SG) company—a distinct advantage for RGIS over its competitors. Due to RGIS's established European infrastructure, the company had the flexibility and reach to field teams on the exact date requested by (SG) company, for every store undergoing migration.

Each of these RGIS inventories produced output in multiple formats. This enabled the converted stores to begin running successfully on the new SAP system with a completely accurate stock file and a level of consistency the company had not experienced before. At the same time, it ensured that each store had back-up files in the old format so the store could revert back to the original stock management system, if required.



"Our goal is to 'Sell More-Lose Less,' and I don't know of another inventory services company that has the geographic reach and experience to be able to support us across Europe like RGIS has."

-Global Sporting Goods and Sports Apparel Manufacturer



(SG) Company—Another Satisfied RGIS Customer

Prior to the start of this inventory and migration project, (SG) company was already familiar with RGIS through inventory projects RGIS had conducted for (SG) company in the United States. In addition, the company had already contracted with RGIS to undertake inventories in Europe earlier that year. RGIS's prior successes, along with its established infrastructure of 40+ regional offices in Europe, provided (SG) company with the confidence it needed to determine that RGIS had the global reach and responsiveness required to undertake this larger project more cost effectively than any other inventory management company in the world.

Following are highlights of the successes (SG) company has achieved throughout the course of the RGIS project:

- In 2007 alone, (SG) company created 2,800,000 item SKUs based upon new information provided by the RGIS inventories.
- (SG) company has notably improved stock availability and now manages replenishment much more effectively as a result of the 99.48% accuracy RGIS has delivered across more than 4,500,000 items inventoried each cycle.
- The consistent inventory methodology RGIS follows across all European countries with an (SG) company presence has been audited and approved by KPMG.
- (SG) company was able to depend on RGIS to provide all the equipment and supporting software for each of the inventory events.
- RGIS inventories have successfully identified and helped to correct inconsistencies in (SG) company barcode label formats.
- (SG) company area management has improved as a result of objective store-visit feedback provided by RGIS.

(SG) company and RGIS are currently working together to review opportunities for extending the value of the existing inventory information in other areas of RGIS expertise, such as unique space optimization solutions and store mapping.



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