

Nordstrom

Business, Marketing



Nordstrom: Planning a better inventory Question 1 Nordstrom has famously been known for its lean retail prices and its tight inventory. Nordstrom uses demand forecasting to minimize leftover inventory. Nordstrom's total corporate management is based on two main goals. One is to associate purchasing with demand to keep inventory as lean as possible. Second is to present customers and sales associates with a wide-ranging view of Nordstrom's entire inventory, including all stores and warehouses.

Nordstrom relates purchasing with demand to keep inventory lean and show customers and employees Nordstrom's inventory. Nordstrom keeps its items in stock for an extremely short period of time so that if a customer wants it, they only have limited time to purchase it. Compared to Macy's who keep items in their inventory for 119 days, Nordstrom keeps its items in inventory for 62 days. Other than relying on day-to-day sales, Nordstrom only discounts certain items and plans for more profitable and productive sale prices. Question 2

Nordstrom benchmarks to assess the success of their web-based inventory system by discovering what other organizations are doing to succeed and incorporate those ideas into their own operations. Competition for Nordstrom will be intense against Banana Republic, Macy's, and Nike; big shoe selling companies but if they take certain qualities from each one and link them with their own, their web-based inventory will be a great success. They could make the web-inventory more user friendly, so it wouldn't take as long for the customer to find that exclusive item that they want.

Also, they could keep the items that are not in the store after the 62 days online, so the customers are not limited to a certain number of days. Lastly,

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they could add even more shops to the already huge online inventory. Question 3 Participatory planning includes the people who will be affected by plans and who will be asked to take action. Equitability and transparency are assets that will increase the customers' belief in the practice of retail. The way employees and managers cooperate within the process will regulate the ending of the process.

Effective communication can increase the common understanding of ethics and ideas among customers and form a base for relations and future purchases. The happier a customer feels with the company that they are purchasing from, the more often they will go back to that company and purchase more products. Groups that should be involved are all employees within the company, because the more they are involved, the more comfort there will be among the employees and the customers who will buy the product in the near future.

Question 4 Nordstrom has done a lot to their technology department since 2009 to compete with competitors in the online market. If there were ideas that I could suggest for them, I would say that in their search area on the sites, they can still add more functions, such as a rating system where customers can rank the product on how good it is. Companies such as Macy's and Nike have a customer rating system for clothing, so buyers know which products are being liked and which ones aren't.

Also, in the online inventory, Nordstrom needs to include which products are new, and which ones are old because it is not listed on their site. Companies such as Nike, Banana Republic and Macy's all have a "new arrival" tab on their website while Nordstrom does not. Those would be the only inventory

management overhaul ideas I would recommend to them. As far as stretch goals are concerned, I would say that Nordstrom needs to concentrate on watching its competitors and reinventing its store and online inventory to keep and gain many more customers.

References Men's Apparel: All Clothing for Men | Nordstrom. Nordstrom: Free Shipping. Free Returns. All the Time.. Retrieved February 28, 2013, from <http://shop.nordstrom.com/c/mens-apparel?origin=leftnav> Men's Apparel: stretch shirts | Banana Republic. Apparel, Handbags, Shoes and Accessories for Women and Men | Free Shipping on \$50 | Banana Republic. Retrieved February 28, 2013, from <http://bananarepublic.gap.com/browse/category.do?cid=79399> Nike Store. Men's Jackets & Vests. Nike. Retrieved February 28, 2013, from