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WLI Case Questions

1. Some of the challenges with the Indian retail market that made it difficult to establish a chain of retail stores were that preferences varied widely by region, so there was no single retailing model that could be used across the country. In addition, real estate was very expensive in large metropolitan areas, which are the areas that drive the highest amount of retail growth. This led to a lack of significant economies of scale in distribution and low profits. Given these challenges, Wills Lifestyle not in a great position to expand their retail chain in India unless they make some strategic changes to how chain retailing is normally done.
2. LRBD implemented concept-to-product cells (groups that included all functions necessary to bring a product to life for each product type) to better integrate supply chain functions, SKU reduction and design platforms to reduce product variety and development times by essentially standardizing the designs, manufacturing cells that focused on clusters of products with similar flows to reduce setup and changeover times and create more of a JIT process for production, and demand-driven replenishment to better estimate how much product to send to each store based on its actual sales from the week. The manufacturing cells were probably most significant because they required operators to be completely retrained and for the company to shift to producing a high variety of products at low volumes – this was costly initially but ultimately resulted in better availability and less obsolescence. Demand-driven replenishment was also a significant change because the company struggled most with inaccurate demand forecasts, so using actual demand data to determine stock replenishment probably improved sales significantly.
3. LRBD hoped to improve the issues it had with product obsolescence and lost sales from popular products being out of stock. Its return rate was also high at 2%, and there were many delays and failures that would occur throughout its highly segmented supply chain and due to the lack of integration between these segments, there was no communication of these delays and failures to other dependent segments.
4. Instead of just focusing on cost to find suitable suppliers, LRBD could focus more on speed and reliability of the supplier because it seems that for the company, the less time there is between inception of the design of the product and the sale of that product in a store, the better. Suppliers that have less delays and that won't de-prioritize LRBD like their current manufacturers might cost a bit more, but there will be benefits in having less obsolete product designs and more on-time deliveries.