ALPINE
Supply Chain Solutions

How a Luxury Retailer Reduced Distribution Costs by 35% with a Strategic Supply Chain Network Redesign

1 Introduction

A leading luxury fashion retailer operates hundreds of retail stores across North America alongside a rapidly growing eCommerce business. Known for its vertically integrated business model, the company designs and sources many of its own brands directly from manufacturers, enabling high inventory availability and exceptional customer service across both retail and online channels. As the business experienced significant growth, leadership recognized that its existing distribution network would soon reach capacity limits. To support future expansion while maintaining industry-leading service levels, the company partnered with Alpine Supply Chain Solutions to develop a long-term distribution network strategy and investment roadmap.

2 Challenges

The rapid growth of the company's retail and eCommerce business created increasing pressure on its distribution network. Existing facilities were approaching capacity constraints related to storage, order fulfillment, and returns processing, raising concerns about the network's ability to support future demand while maintaining high service levels.

Leadership needed a comprehensive strategy that would not only address immediate capacity challenges but also establish a scalable distribution network capable of supporting long-term growth. The solution had to balance transportation costs, inventory positioning, facility investments, operational efficiency, and customer service while providing a clear roadmap for future expansion.

3 Solutions

Alpine developed a comprehensive distribution network strategy designed to support the company's continued growth. The project defined the future-state operating network, including the optimal locations, roles, and responsibilities of each distribution center within the network.

In addition to network design, Alpine created a tailored automation strategy for each facility to improve throughput, efficiency, and scalability. The team also developed a phased implementation roadmap outlining how the network should evolve over time to support projected business growth.

To support executive decision-making, Alpine delivered a detailed financial business case and investment roadmap that quantified the costs, benefits, and cash flow requirements associated with the recommended strategy.

4 Implementation

Using Alpine's proprietary Network Optimization Approach and Optilogic's advanced optimization software, the team evaluated multiple network scenarios and operating alternatives. Each scenario was analyzed against key performance criteria, including transportation costs, inventory requirements, facility operating costs, customer service levels, and long-term scalability.

Through a collaborative process with company stakeholders, Alpine identified the optimal network configuration that balanced both short-term operational needs and long-term strategic objectives. The resulting roadmap provided a clear path forward, enabling leadership to prioritize investments and execute network changes in a structured and financially responsible manner.

5 Results

The project delivered a clear, actionable roadmap that immediately influenced strategic investment decisions. The company moved forward with investments in new distribution facilities to address projected long-term capacity constraints while also implementing near-term solutions to manage seasonal volume growth.

Most importantly, the recommended network strategy is projected to reduce overall cost-to-serve by 35% compared to the existing operating network, creating significant operational and financial benefits.

By establishing a scalable distribution infrastructure supported by automation and strategic facility placement, the company is well positioned to continue its rapid growth while maintaining exceptional customer service and expanding profit margins.

The optimized network provides a strong foundation for the future, ensuring it can support increasing demand across both retail and eCommerce channels for years to come.