



PUMA OPERATIONS

CASE-STUDY CHALLENGE



INSTRUCTIONS



Make your pitch to the Head of Operations – PUMA India

- Teams need to submit a power-point presentation with not more than 12 slides
- There needs to be an executive summary slide which captures the essence of the entire PPT
- You can use both primary and secondary research and draw insights from industry practices
- Illustrations and insights supported by data will fetch more weightage
- Case studies will be evaluated based on originality, out of box thinking, clarity, logic and thoroughness. Suggestions with high practicality would be preferred

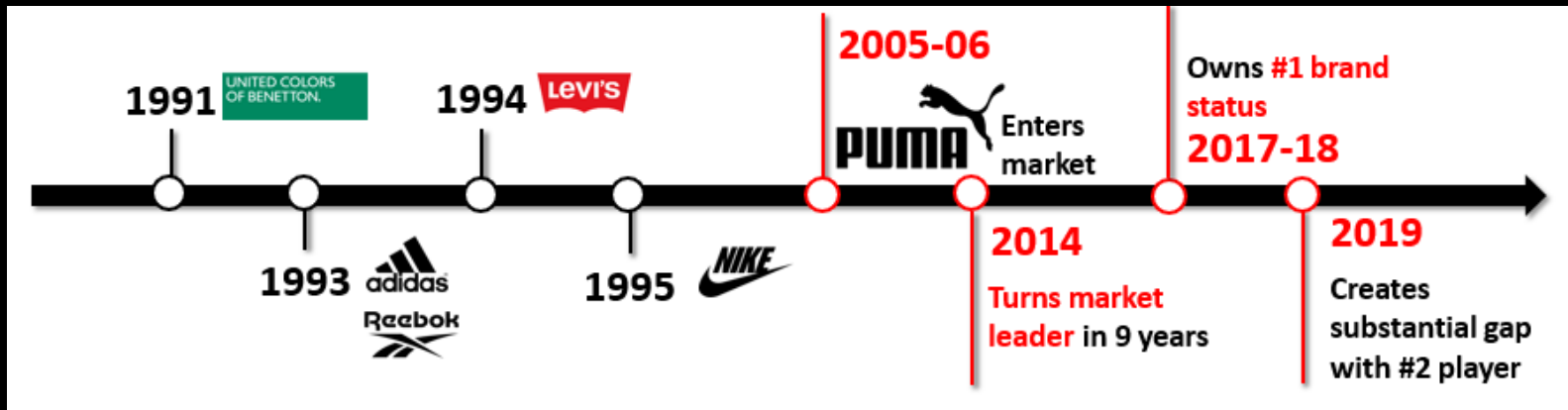
ABOUT PUMA - CHALLENGER RISES TO A LEADER



INDIA'S LARGEST SPORTSWEAR BRAND



FROM A 10 YEAR LATE ENTRANT TO A MARKET LEADER



CEMENTING #1 STATUS THROUGHOUT



MARKETING INVESTMENTS

WIDE ROSTER OF AMBASSADORS



STELLAR PRODUCTS

STRONG PRODUCT ENGINE



SUCCESS OF LARGESCALE COLLABS




ONE8 & MOTORSPORT



WIDE RANGE OF INDIAN AMBASSADORS



VIRAT KOHLI

 90.7 M
 40 M
 43 M



KAREENA KAPOOR

 5.6 M
 1.3 M
 1 M



KL RAHUL

 8.7 M
 5.1 M
 3 M



SUNIL CHHETRI

 1.3 M
 1.6 M
 1.3 M



MARY KOM

 252 k
 1.4 M
 3.3 M



SAHAL ABDUL

 615 k
 11.1 k
 242 k



GURPREET SINGH

 156 k
 59 k
 143 k



DUTEE CHAND

 90.5 k
 34.2 k
 81 k

PUMA INDIA – PRODUCT LINES



APPAREL



Wide range across T-shirts, track pants, shorts, jackets, sweatshirts & more

If transported in bulk logistics cost notably reduces as volume per piece is less but if delivered by piece logistics cost% by piece shoots up due to lower item price

30% OF PUMA INDIA REVENUE

FOOTWEAR



Engineered products specific to running & respective sports.

Bulky in volume, can fit only limited pieces in a carton even in bulk transport. If delivered by piece logistics cost% per piece is lower than rest due to higher item selling price

60% OF PUMA INDIA REVENUE

ACCESSORIES

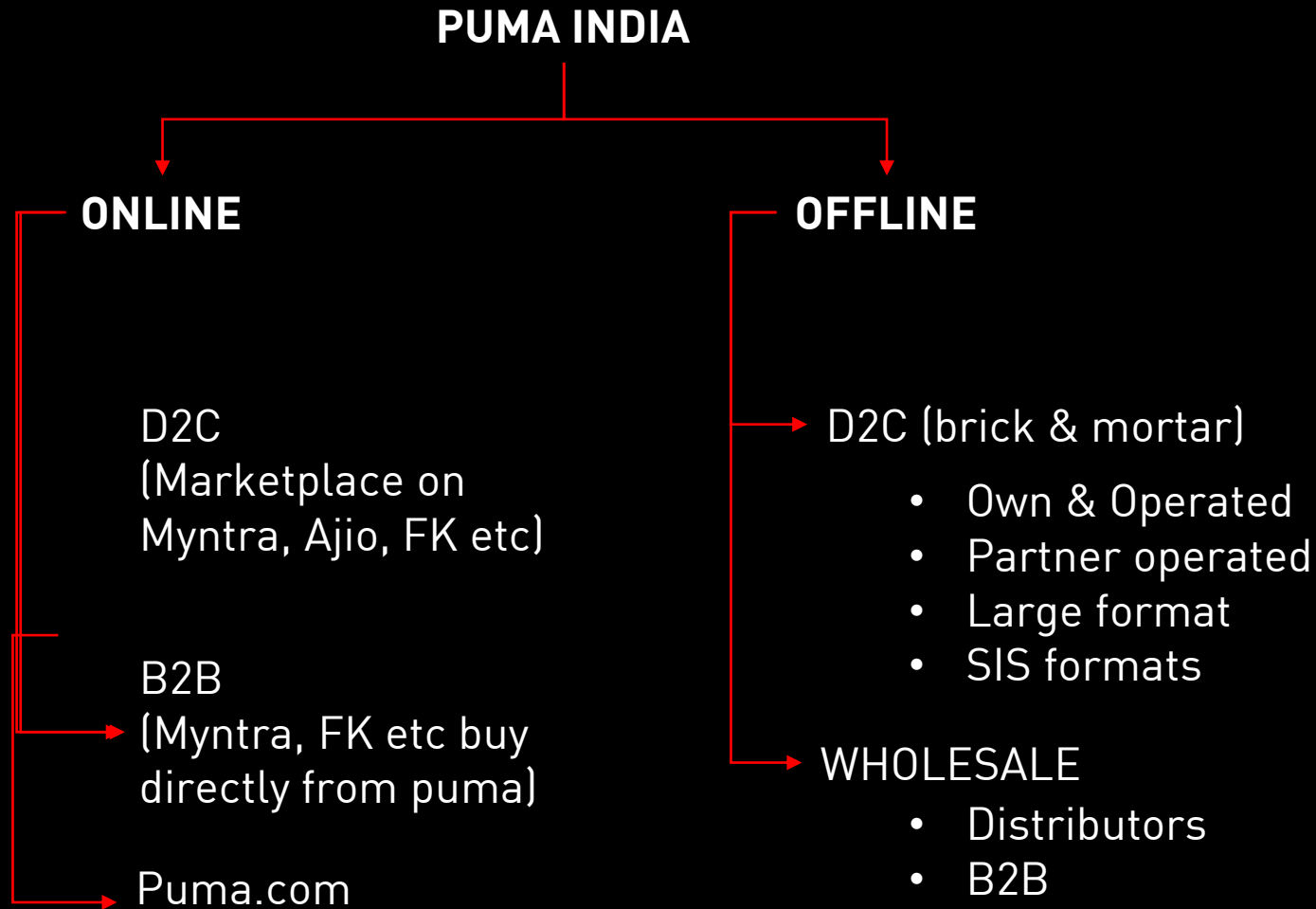


Pertains to caps, socks, backpacks, sports equipment etc

If transported in bulk logistics cost notably reduces as volume per piece is less but if delivered by piece logistics cost% by piece shoots up due to lower item price

10% OF PUMA INDIA REVENUE

PUMA INDIA – BUSINESS CHANNELS

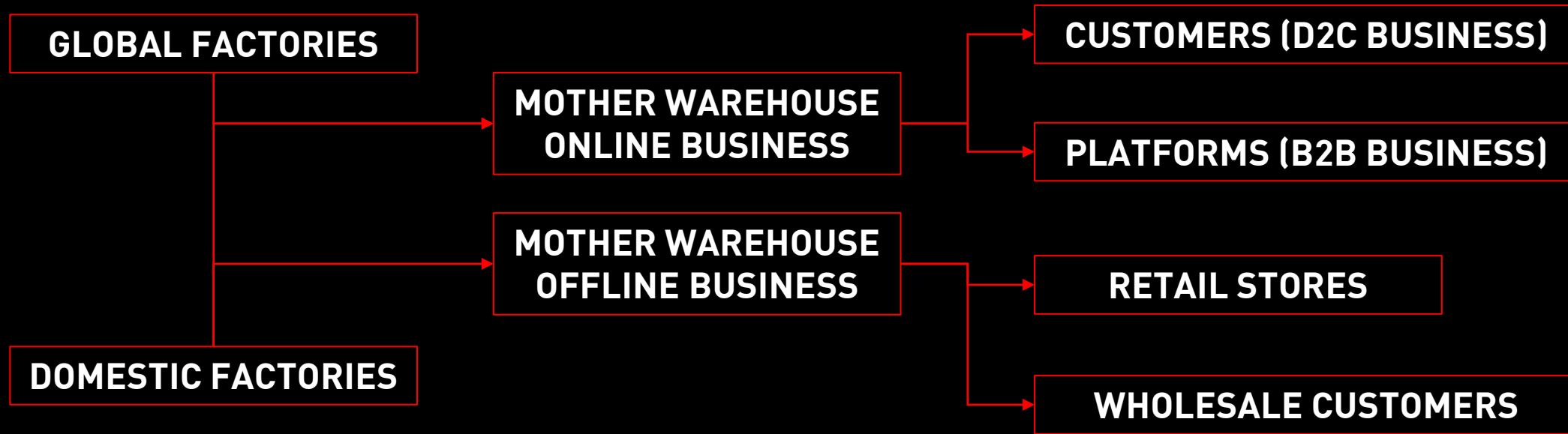


A **COMPLEX NETWORK** OF CHANNELS ACROSS E-COM AND TRADITIONAL RETAIL

EACH CHANNEL HAS ITS **NUANCE** IN SUPPLY TIMELINES & REQUIREMENTS

- Stores need inventory at season launch (feb & aug)
- Wholesale can have inventory right before its scheduled billing
- E-com marketplace needs a steady supply across the year

PUMA INDIA – INVENTORY VALUE CHAIN



- Products are produced both in domestic factories and abroad with each having unique lead times
- There's a central warehouse for offline & online channels separately handling inbound/outbound
- For stores, dispatch happens in bulk from warehouse for launches/replenishments & needs to get delivered in each store. For wholesale it is a single bulk shipment to the recipient
- For D2C Ecom (Marketplace) delivery is done by courier partners to respective customers

THE CONSTRAINTS



- Lead time for Imports are around 6 months and for local it's around 3 months. As of now ~60% of Puma's inventory is supplied from imports (handed over in ports)
- Around 30% of sales is returned/canceled in E-com D2C and we bear logistics for returns as well
- With each channel sale being non-replaceable by the other, it is important that we do not actively compromise the sale in one channel to boost up the sale in another channel
- As mentioned in the previous slides each channel has its nuance in supply requirements in both time of delivery and quantum of delivery. The logistics cost/piece changes as per product as well
- Without the right inbound/outbound plan warehouse will get choked and with the above mentioned production lead times there is no scope to control production to ease the scenario
- Any activity to optimize supply chain costs should not risk affecting supply Vs demand, sales

THE PROBLEM STATEMENT



Propose a **supply chain strategy** which suits Puma's business model complexities. To get you started, below are a few pointers you need to address in this strategy

- Propose how the inventory planning should be done so that there is neither an inventory pile up (leading to warehouse choke, holding cost) nor a loss in sale (inventory unavailability)
- Propose a warehouse model in accordance with channel stock requirement (slide 7). It should be able to cater to varying channel requirements & minimize non-utilization rate of warehouse
- Ideate the logistics model to match the inward/outward requirements in warehouse and to ensure timely deliveries to stores, wholesale merchants and customers

Highlight the below aspects in your supply chain strategy to get an edge over others

- The strategy should focus on cost effectiveness & system responsiveness to fluctuations in demand
- How can you leverage digitization and modern practices to make the supply chain more robust

Put your thinking caps on. We are looking forward to hear your solutions



ALL THE BEST!

FOREVER **FASTER.**