

TOMMY BAHAMA

GIVING FASHION A BOOST



Tommy Bahama®

The gentle ebb and flow of ocean tides provide a beautiful backdrop to “Living the Island Life,” a motto the Tommy Bahama brand has embraced since day one. When the company was founded over 30 years ago, it set a new bar for the lifestyle brand business model. It serves not “customers” but “guests,” delivering not just products but experiences, from shopping to dining to socializing over cocktails.

Tommy Bahama has evolved with the changing tides and shifting sands of the retail industry. In 2019, the company revamped its entire sourcing strategy, bringing functions from design to distribution in-house and diversifying production locations. Tommy Bahama has transitioned from having a supply base entirely in China to sourcing over 70 percent in Southeast Asia, India, Sri Lanka and Peru.

Now, the brand is confidently sailing into 2024 with solid operations and technology to support its most important business objectives.

SURFING SKILLFULLY TO MORE SKUS

This will be a pivotal year as Tommy Bahama:

- › Dives deeper into fashion
- › Offers more apparel sizes
- › Manages inventory across two distribution centers (DC) vs. one

“We want to do more with less inventory. We want higher sell-through, more depth in fashion and, of course, to sell out of that fashion,” said Jennifer Spoljaric, Executive Vice President, Supply Chain and Sustainability.

“Less” doesn’t necessarily mean making fewer units but rather hitting narrower targets, giving guests more fashion choices and catering to diverse size and fit preferences. Tommy Bahama fashions have a track record of commanding full price, and the company wants to keep it that way. Spoljaric’s team will rely on its strategic supplier network to execute these different ➤

- priorities. The brand values quality over price and is committed to sustained partnerships with suppliers. *"We have very strong long-term relationships with our vendors," she said. "We have weathered Covid and other storms together, and our close partnerships will continue to be key to our success in 2024."*

Like other brands in the Oxford Industries portfolio, Tommy Bahama is starting to use Oxford's DC in Lyons, Georgia. Augmenting Tommy Bahama's original West Coast DC, the Lyons fulfillment center will give the business greater speed in serving customers on the East Coast, especially in Florida, where there are 32 Tommy Bahama locations and many wholesale customers carrying the brand.

"Our biggest opportunity is to get the right product to the right place at the right time," said Spoljaric. "It might sound old school, but we need to be sharper with our inventory. For us, it's all about inventory control."

WADING INTO NEW COMPLEXITIES

The Tommy Bahama supply chain team uses the CGS BlueCherry® enterprise suite to manage core processes, from placing purchase orders to distributing products. *"I have a very complex organization, and my team is the biggest user of the solution within the company," said Spoljaric. "We use it every day, everywhere."*

Leveraging the second DC will enhance Tommy Bahama's agility in fulfilling orders across different channels and geographic markets, improving responsiveness to ecommerce and in-store demand. But for a business accustomed to the simplicity of receiving and shipping through a single DC, the new opportunities come with new complexities, especially for inbound shipment logistics.

Tommy Bahama is building on its technology foundation with innovative use of artificial intelligence (AI). Starting with merchandise and financial plans, Impact Analytics' AI-driven technology will help the brand cast a tighter net to forecast demand. Next, the business will turn to machine learning to help steer inbound containers and cartons to the best DC and then allocate the right inventory to the right destinations.

The plan is to tie the line between AI-enhanced analytics, Spoljaric's team and BlueCherry®, the centralized solution for supply chain management. *"Better end-to-end visibility and control over logistics — that is the digital transformation goal for us," she said.*

The company will also leverage digitalization for better supply chain traceability in support of environmental, social and governance (ESG) goals. Tommy Bahama has invested in track-and-trace technology to ensure compliance with the U.S. Uyghur Forced Labor Prevent Act (UFLPA). In addition, the business wants to increase sourcing of preferred fibers, which have less environmental impact. *"Better end-to-end visibility and control over logistics — that is the digital transformation goal for us," she said.*

Tommy Bahama is also putting a toe in the waters of digital sampling. The brand plans to keep providing sales people with physical samples wholesale customers love to touch and feel, but it wants to reduce sample rounds on the way to final approval.

With so much to accomplish in 2024, it won't be a walk on the beach, but the brand's strategies are sure to delight loyal guests and newcomers to Tommy Bahama's entrancing experience of the island life. ■