

OFM.

How OFM Enhances Inventory Accuracy and Increases Sales with RFID Technology

OFM (Only For Men), a leading Dutch retailer with 21 stores and a strong online presence, enhanced its inventory management with Chainlane's RFID solution. Achieving 98.5% accuracy, OFM reduced costs, improved customer experience, and increased sales.

High-Level

- Brand: OFM (Only For Men)
- Industry: Fashion and Apparel, Multibrand, Wholesale
- Location: Netherlands
- Stores: 21+
- Employee: 200-500

Meet OFM

OFM is a leading clothing company in the Netherlands, specializing in men's attire, grooming, and accessories.

OFM has expanded beyond just products by offering an immersive shopping experience, which includes personalized styling services, expert advice on fashion and grooming, and a comfortable and welcoming environment for customers.

This approach has helped them build lasting relationships with their clients.



The Challenge

Prior to RFID implementation, OFM used to count inventory once or twice a year, typically around the end of the year. Stock-taking was described by OFM as a painful process, often taking a long time and yielding disappointing results.

The infrequent counts led to a significant accumulation of discrepancies, resulting in 15% to 20% differences between the records and the actual inventory. While common in the industry, these discrepancies were painful and especially problematic for their online operations, causing revenue loss and financial distress.

Additionally, the discrepancies forced OFM to rely on practices like overstocking and maintaining safety stocks, which increased overall operational costs.



The Solution

OFM decided to implement RFID in all of their stores to enable more frequent stock-taking and maintain closer control over their inventory levels. The RFID solution was tailor-made for OFM to handle its multi-brand inventory.

The RFID Implementation

Both the distribution center and the six largest stores were equipped with SATO RFID printers to facilitate easy tagging of all items with RFID. Each store received DENSO WAVE's SP1 handheld RFID reader, which, combined with Chainlane's cloud-based RFID software, allowed for quick and accurate inventory counts, shipment validations, item searches, and more.

Chainlane's multi-brand solution enabled OFM to encode and manage all their stock together to ensure smooth operations.



The data captured with the Chainlane mobile app is collected, stored, and analyzed on the Chainlane dashboard to inform management with real-time data down to the item level. The dashboard also provides actionable insights for improvement and data-backed decision-making.

Results: Inventory Accuracy and Improved Customer Experience Leading to Increased Sales

With the ease and convenience of RFID inventory counting, OFM began to count inventory every two to three weeks, significantly improving its inventory management. As a result, they improved their supply chain, achieving 98.5% accuracy and aiming to reach 99% very soon.

The introduction of RFID in OFM's stores transformed its inventory management, reducing theft, shrinkage, and clutter, and ensuring stock availability. This also led to faster and more efficient replenishment.

With high confidence in their stock levels, OFM can sell online up to the last item, eliminating stock leftovers. They can confidently put items on sale online even if they have only a few pieces left, knowing they have those exact items in stock.

"We've reduced required safety stock immensely, being able to rely on accurate count instead" said Bert Oosterom the Logistics Manager in OFM.

Additionally, the RFID implementation enhances the in-store customer experience with innovations like smart mirrors that use RFID to upsell.

"Digitizing our operations with RFID helped integrate a technological foundation we can build upon and become future-ready" - Bert Oosterom

Lastly, the improved stock availability has led to a 1-2% growth in sales making this RFID project a game changer for OFM.

In their own words

Bert Oosterom praised the RFID project and encouraged the entire retail industry to adopt RFID. In his words: "RFID has so many advantages, to our entire industry, I would like to say: Come on guys, let's go for it!"

-Bert Oosterom, OFM

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