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Nordstrom invests in supply chain integration platform to simplify inventory management

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Nordstrom DeLAmo store

By STAFF REPORTS

Department store chain Nordstrom is extending its relationship with integration platform Dsco, moving from being a client to an investor.

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Nordstrom has used Dsco to manage its inventory, shipping and fulfillment, leveraging the platform's ability to ease data exchange between suppliers and retailers. Now, the retailer has made an investment in the three-year-old company to help foster its growth.

Dsco fever

Dsco acts as the in-between for retailers and their suppliers, facilitating drop shipping, in which ecommerce orders ship directly from the manufacturer to the consumer. This means the retailer does not have to hold the inventory in its warehouses, and it can buy items from the supplier as orders come in.

While this method saves retailers from needing to buy merchandise up front, it means they do not have the merchandise physically on hand, and are reliant on inventory information from the supplier.

"The retail supply chain is one of those big, cumbersome problems that nobody has had the patience or drive to fix, but the status quo also takes tremendous manpower and a financial toll on retailers and, especially, suppliers," said Jeremy Hanks, founder/CEO of Dsco in a brand statement. "Nordstrom is aware of this dynamic and, like us, has realized that supply chains must evolve for retail to stay on top. Its partnership and investment in Dsco validate what we're about."



Online shopping at Nordstrom

Rather than setting up different bridges between each supplier and the retailer, Dsco allows both parties to communicate in the way that they are most comfortable, leaving their respective data storage and technology in tact. Connecting both sides, Dsco standardizes the data exchange, making inventory management more streamlined and lessening the possibility of inaccurate data, which can lead to slowed delivery or unavailable products.

Retailers are currently in the investment and adoption phase of the future of retail, a plateau on which practices and consumer behavior have yet to catch up with technology, according to a report by Walker Sands.

According to the report, the Future of Retail will increasingly place importance on the supply chain. In the last three years, Walker Sands has found that seamless shipping, delivery and returns have become more important to consumers ([see story](#)).

Per the [Wall Street Journal](#), Nordstrom now has a minority stake in Dsco, and it has plans for more investments in similar companies.

"When customers shop online with us they should feel confident knowing what they ordered is available and will ship in a timely manner," said Teri Bariquit, executive vice president, Nordstrom Merchandising Group. "We're impressed by Dsco's innovative approach to improve the online experience and as the Dsco network grows we'll be able to further reduce complexity with our brand partners across our supply chain."

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