

## Case Study:

# Magnanni Shoes

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### The Company: Magnanni Shoes

Magnanni is a third generation, family-owned company that has been producing fine men's footwear for nearly 60 years. Founded in the small city of Almansa, Spain, the company uses only the highest-quality leather, as well as exclusive dyes and handcrafting procedures. Through use of the Bologna construction technique, each Magnanni shoe wraps the foot in 360 degrees, like a glove to the hand, providing flexibility and comfort without sacrificing design. Magnanni shoes are sold at Nordstrom, Neiman Marcus, and through other fine retailers.

### The Challenge:

#### A Whole Lot of a Good Thing

The marked increase in demand and expectation for easy online shopping has motivated traditional retailers to expand their web-based offerings and adopt 'e-tailer'-style shipping and return policies to remain competitive. This trend has extended to the luxury shoe market, and over the past few years Magnanni shoes has had a significant challenge—although a happy one—to resolve: spiked demand and dramatic growth within a very short time period. "It's a great problem to have," explained VP of Operations, Jamie Huston. "But it's one we have had to address through capacity, supply chain, fulfillment—basically all aspects of our business."

Much of Magnanni's increased demand has occurred within the 'drop ship,' or direct-to-consumer fulfillment model. For retailers, this way of doing business has many clear advantages. Retailers' supplier partners handle more of the warehousing and fulfillment, lowering costs for retailers. Direct-to-consumer shipments also allow retailers to experiment with expanded product offerings and target new segments without financial risk.

On the other hand, although drop ship can offer suppliers an extraordinary opportunity for growth, it can also pose daunting challenges. In order to make the model profitable, manufacturers/suppliers must allocate resources to deal with a higher volume of smaller size orders, and find ways to successfully adhere to a new and often complex series of compliance guidelines.

### The eZCom Experience: Drop Ship Done Right

"Our retail partner Nordstrom drove our initial adoption of eZCom's EDI solution Lingo for drop ship order management," stated Huston. "However, eZCom and Nordstrom did a great job producing the program. The name is 'eZCom' and it truly is. It's easy to use, not time consuming, and the whole solution is really wonderful." Lingo helps manufacturers efficiently process higher

volume direct-to-consumer transactions and make drop ship profitable. Automated creation of custom branded packing slips, batch processing of orders through Lingo's Accelerated Document System™, ensured compliance to retailer guidelines through automated Double Validation™, and shipping integration all give manufacturers a competitive edge—and have helped Magnanni maximize their resources to meet the rising demand. "Lingo's drop ship program has created a revenue stream that we didn't have in the past, with minimal investment on our end, whether in labor or fees." said Huston. "It has been really cost effective and time saving for us, overall providing a tremendous plus to our business, revenue, and bottom line while keeping expenses down."

Huston notes the additional convenience Magnanni has enjoyed through integration of eZCom's Lingo with Fishbowl and UPS shipping manager. "We don't have to manually type in labels, and we can quickly and easily change or upload inventories." eZCom's drop ship program has helped Magnanni balance the demands of growth in other ways as well. "With the drop ship program, we can keep inventory where we want it. We may come to the end of the life of a specific style. In the past, we would have had to sell these shoes off at a loss to discount outlets. Now, with the drop ship program, we can get rid of this kind of inventory profitably through our regular retailer partners, without them having to actually bring the shoes into their stores."

### Customer Service and Shared Values

"Magnanni is not only a third-generation family-owned operation, it is a company based on family values. We extend these values to our customers, in part, through a credo of exceptional customer service," explained Huston. "It's nice to work with a service provider who shares this dedication, and believes in this way of doing business. eZCom's customer service is excellent. Any time we've had questions that need answering or need something resolved, any time I have needed to speak with a specific department or person, I have always been able to reach someone right away, and they have always fixed the issue. The service aspect for me is a huge plus."

### The Recommendation

"eZCom's Lingo is truly a wonderful product," stated Huston. "It is easy to use, and quick. We have a very small staff, and it's made us more productive, kept us productive, and saved us time and money. Overall, it has been a tremendous help to allow us to work most efficiently and to grow." eZCom and Lingo have become an integrated part of the Magnanni team. "We have plans to start designing and manufacturing belts and other accessories, expanding the brand. I know Lingo will be a key part of this."

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