

CASE STUDY

PacSun moves into the cloud, finds ‘savior’ in ship-from-store & delivery fulfillment during the pandemic

PacSun “saves store” by implementing omnichannel fulfillment capabilities in just two weeks, allowing a single associate to ship roughly 40k units a day from each PacSun and partner Eddie Bauer store location — resulting in their best margins yet.

Manhattan Active® **Omni**



Providing customers what they want, however they want it and when they want it

PacSun is a leading lifestyle apparel brand for youths in the U.S. and partners with some of the biggest names in fashion to deliver a wide range of unique clothes and products. The retailer has 330 stores and its ecommerce penetration holds an estimated 40 percent of sales. They are the lifestyle brand for the Gen Z consumer and are active in local and global communities through meaningful partnerships.

Before implementing Manhattan Active Omni, PacSun was running an on-premise boutique order management system that did not offer ship-from-store fulfillment, which forced the retailer to ship ecommerce orders exclusively from a lone central distribution center. PacSun's ecommerce orders have steadily increased and the retailer required a cloud based solution that could scale with its growth and provide a more omnichannel customer experience.





“Our internet strategy was to move to the cloud. We wanted to minimize our reliance on on-prem systems. What we liked about Manhattan Active Omni is it has **upgrades constantly** and we could take advantage of those upgrades. Secondly, we knew we had to move from just shipping ecommerce from a single DC to an omnichannel strategy, which would include **ship-from-store, BOPIS, local delivery**, etc. We needed software that was flexible enough and, as we grew, would meet our needs.”

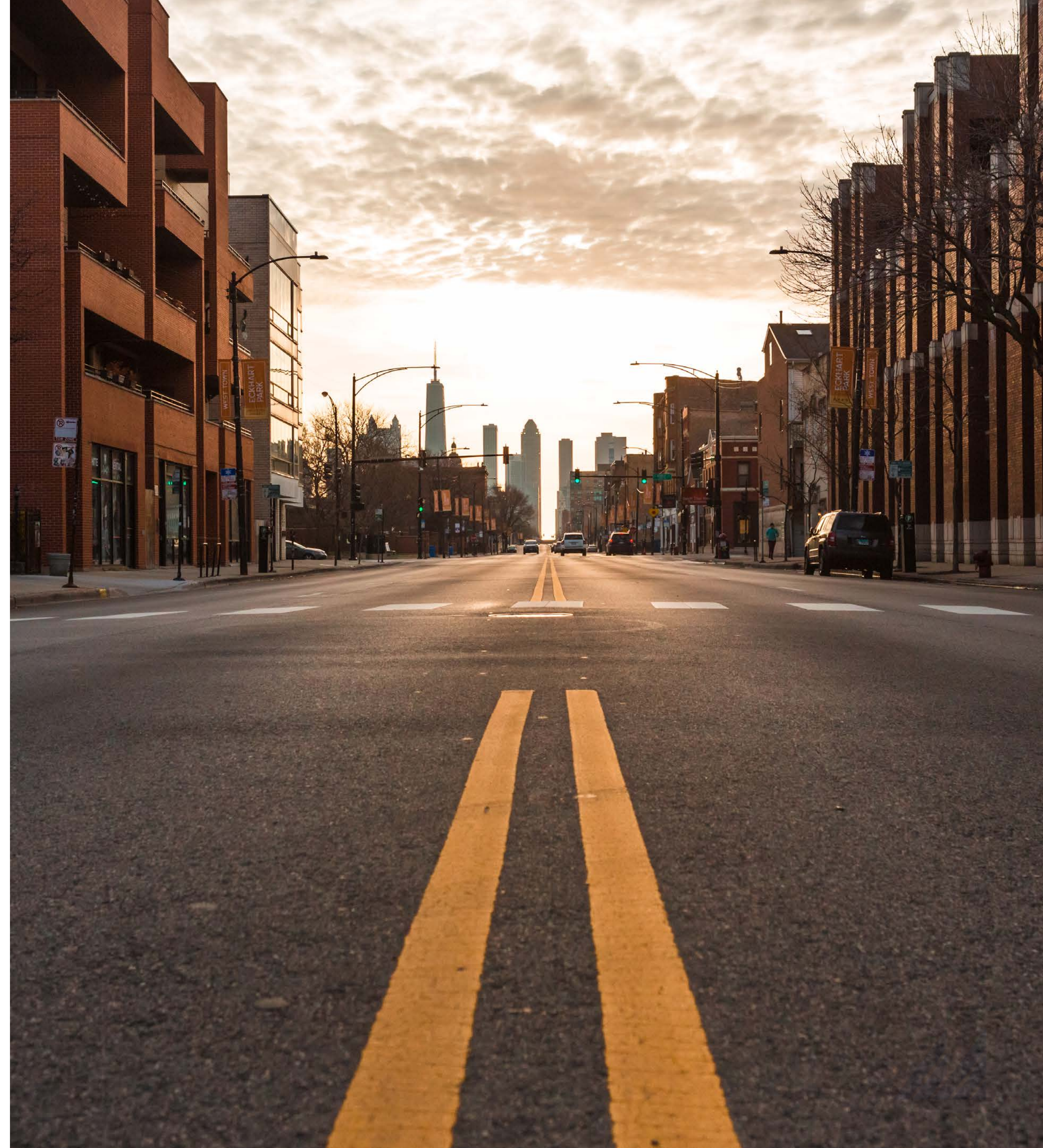
- Michael Relich, Co-Chief Executive Officer PacSun



Lockdowns and closing of retail locations worldwide

The retail landscape shifted dramatically during the initial stages of the COVID-19 pandemic. Stores that were not deemed an “essential” business were forced to close their doors. This included mall-based retailers such as PacSun. At the time, Manhattan Active Omni was in the early stages of implementation.

“When the COVID outbreak happened, it was a shock to our system. We obviously wanted to survive for our employees and our shareholders,” said Relich. “All the stores closed and we had problems in our DC because we were afraid of COVID outbreaks. And the other problem was, were we going to have stores close for three months, open them up and have old season merchandise that we would have to get rid of?”





Those concerns never came to pass, as PacSun and Manhattan worked together to finish implementation of ship-from-store capabilities in just two weeks. Associates were trained remotely, with one associate going into the closed physical store to socially distance and ship ecommerce orders.

They were able to ship roughly **40,000 units a day out of their stores**, seeing some of the highest margins in PacSun history. Most importantly, those items that were in danger of being out of season instead flew off the shelves and were sent directly to customers.



“Manhattan Active Omni was the savior here. It enabled this whole strategy we had during COVID, and without it, we couldn’t have done it. ***Ship-from-store quite literally saved the company***, and I don’t say this lightly.”

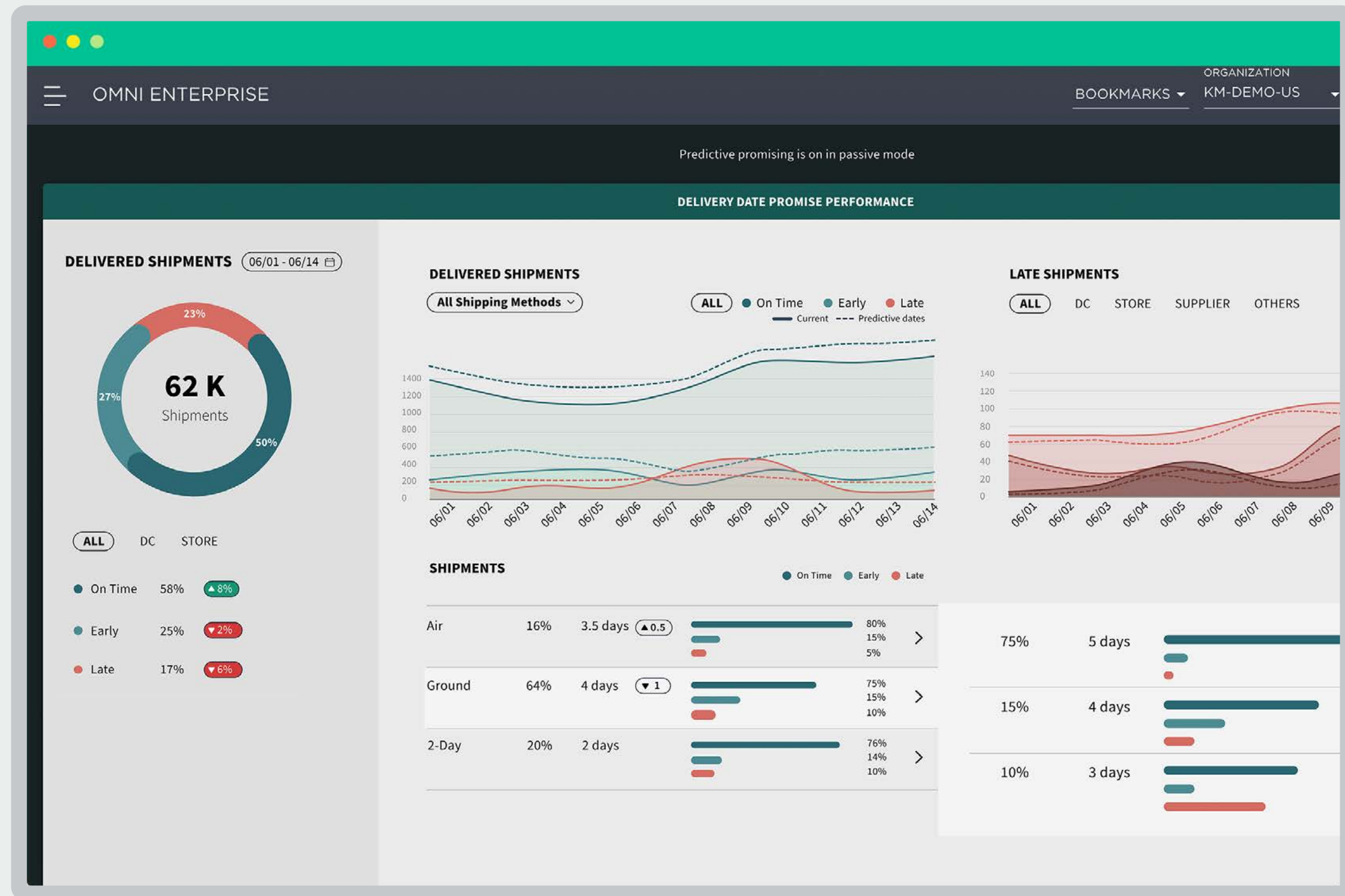
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“We had problems going into Christmas and the holidays, because we couldn’t guarantee those deliveries as we didn’t know if the shippers could meet those SLAs. So, we decided to implement local delivery. ***Integrating with Manhattan Active Omni, we have Lyft, Doordash and Uber who can deliver same day,*** which we were very excited about. If we can ship from a store that’s in proximity to the customer, those customers can get the goods in one or two days.”





Manhattan Active Omni’s order management fulfillment capabilities — such as **ship-from-store, ship to store, and buy online, pickup in-store (BOPIS)** — have allowed PacSun to strategically minimize the distance in shipping, which not only lowers shipping costs but enables the customer to receive their desired product faster.

With Manhattan Active Omni, PacSun now has a pipeline of innovation at their fingertips, as its suite of solutions can deliver a unified approach to selling, engagement, and fulfillment all on a single cloud-native app. Its order management capabilities allow team associates complete visibility of available inventory, providing them knowledge of which product they can promise to customers.

Best of all, it’s versionless and provides continuous access to new features with **automatic upgrades every 90 days** that occur seamlessly and without disruption.

“When you have on-premise software, you have to schedule costly upgrades, which take time and takes the focus off the business,” said Relich.



“When you’re on the cloud, those new features come and you can take advantage of them very quickly because in today’s environment, it’s extremely competitive. The faster and more reactive to the market we can be, the more successful we’re going to be. Looking at the market, we think that Manhattan Active Omni is the **best-in-class order management system** out there and we’re very satisfied with it.”

