

CSCRL SPRING SYMPOSIUM

DEMAND DRIVEN SUPPLY CHAINS

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ABSTRACT

THE USE OF CUSTOMER ANALYTICS TO INFORM A RETAIL TURNAROUND

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Early in the summer of 2017, rue21, a 1200-store, 10,000 employee, omni-channel fashion retailer filed bankruptcy. Burdened by the payments required to support a leveraged buy-out by Private Equity, the company was also paying the price of a lack of investment in its technology, its stores, its customer knowledge, and in its talent. The company emerged from bankruptcy in October 2017, grossly under-capitalized, without a CEO, and without a clear plan to fix the business.

This presentation will detail how the newly formed Board of Directors and the management team developed a plan, which put the rue21 customer at the center of remarkable business turnaround. At the very beginning of rue21's successful turnaround, the Chairman of the Board of Directors stepped in as the CEO (Michael Appel) and he then asked Dr. Mark Chrystal to return to the company in the role of Chief Analytics Officer. In this role, Mark was given the responsibility for transforming the business into a customer and data centric organization. Mark was also required to develop a team capable of providing the analytical insights required to inform all key business decisions as the business navigated a perilous journey from bankruptcy to profitability. Mark will present how he and rue21 used customer data and customer analytics to guide their turnaround strategy and the prioritization of the tasks required to get the business back on track. The dramatic improvement in the rue21 business has been described by some as what should become the blueprint for all future successful retail turnarounds.

