

NORDSTROM

Look Inside Nordstrom's Largest Supply Chain Facility

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A reliable supply chain is absolutely critical for our business. It's what allows us to serve up an assortment of new, relevant products in our stores, get orders to our customers quickly and efficiently, and deliver on our promise to help customers feel good and look their best.

It's one of our top priorities and something we're continuing to scale and improve as we work to advance our Closer to You strategy, through which we aim to provide customers with convenience, connection and access to the best product selection – no matter how they choose to shop with us. Our supply chain network plays a key role in our ability to do this, and for our West Coast-based customers, our newest supply chain facility is getting our products closer to our customers than ever before.

The West Coast Omni Center

In 2020, we expanded our supply chain network and opened our one million-square-foot West Coast Omni Center (WCOC) warehouse in Riverside, California, which fulfills both store and customer orders. Today, customers on the West Coast account for nearly two in five Nordstrom and Nordstrom Rack orders. With more room to physically store our products and digital innovations that make a fulfilling orders more seamless for our teams, WCOC helps us give our customers access to a broader selection of products to choose from and gets them in their hands more quickly.

The Role of Technology

WCOC is outfitted with the latest automation and data-driven processes to make the whole operation as efficient and accurate as possible – innovations that have allowed us to drive two times more volume at the facility. These enhancements include:

- A pouch system that stores, transports, sorts and sequences individual items to fill orders of any size and maximizes space as we move product through the 1-million-square-foot space.
- A storage and retrieval system that is designed to store five to seven times more products than other sites with the same footprint. This allows us to store more products at this facility giving our customers access to greater selection within their market and reducing the number of split shipments our customers receive.
- An algorithm that supports dynamic routing for all orders that flow through our network and prioritizes orders for our people. This takes into account factors such as processing time, orders in queue and transit time to calculate estimated arrival.
- A state-of-the-art command center that helps us make the most of our facility and determine which assortment of products to store on site.

Taken together, these technologies represent a major step forward for our supply chain operations.

Empowering Our People with Automation

"Employees expect to come into their place of work and have the same level of technology and automation they use outside of work," said Alexis DePree, chief supply chain officer at Nordstrom. "We see an opportunity to continue to use technology, automation and machine learning to drive smarter processes that are better for our teams."

By integrating technology into our WCOC facility, we've empowered our employees to better serve our customers. In practice, this might look like gamifying our employee experience to create a more engaging workflow or using automation to drive consistency in decision-making processes – like the algorithm we use to inform order prioritization or what specific product is stored within our facility. Ultimately, our goal is to allow our people to focus on what matters most to our customers: quality, accuracy, packaging and speed of delivery.

Looking ahead, we will continue to find new and creative ways to improve our supply chain that help us deliver better service for our customers – whether they're shopping or picking up an order in store, placing an order online or through our apps, or looking for access to more products in their market. No matter where, when or how our customer chooses to shop, our supply chain will be ready to deliver.