



How Data is Optimising **PriceSmart's** Supply Chain

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HOW DATA IS OPTIMISING PriceSmart's SUPPLY CHAIN

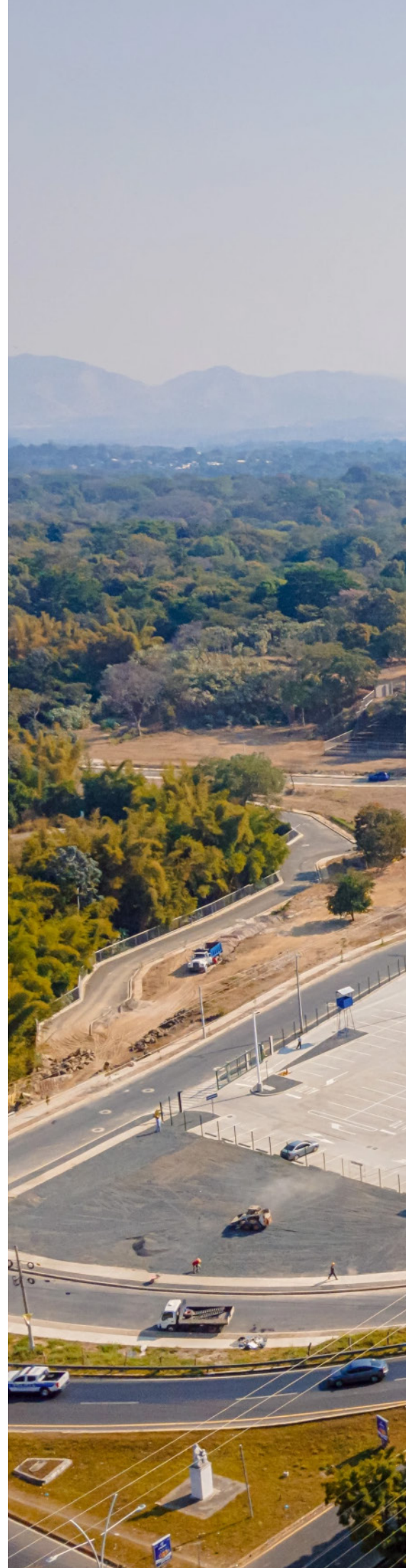
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PriceSmart leverages its supply chain to offer high-value products at competitive prices, while being steadfast in its sustainability commitments

Through harnessing the power of the supply chain, PriceSmart is delivering high-value products at competitive prices, with its network of locations across Central America, the Caribbean and Colombia. As a leading membership-based warehouse club with a strong commitment to sustainability, the company is focused on expanding its footprint in both existing and new markets. The company has set goals of expanding and enhancing its digital capabilities in order to optimise its supply chain to meet the evolving needs of its members. PriceSmart is looking to refine its network design to create a robust, scalable and sustainable supply chain. This includes optimising logistics and transportation strategies while leveraging advanced technologies such as Coupa and Relex to enhance its modelling, forecasting and replenishment capabilities.

It is not just improvements it is looking to make; the company is also committed to improving the resilience of supply chains, a vital need in today's landscape where supply chains are the target of so many disruptions. With a focus on being more flexible, PriceSmart is driving data-driven decision-making through advanced analytics and real-time dashboards. Sustainability remains





a core focus, with a continual effort to minimise environmental impact across all supply chain activities.

Vishwanath Krishnamoorthy, AVP, Global Logistics, Planning, Process and Optimisation at PriceSmart, says: “Fostering strong cross-functional collaboration will help us understand the synergy between channels and integrate our supply chain strategies with broader business objectives. We aim to deliver exceptional value to our members while supporting PriceSmart’s growth, innovation and commitment to a sustainable future in a dynamic market.”

How does PriceSmart view the role of supply chain design and the decisions it makes for business?

At PriceSmart, supply chain design is integral to business strategy. It is viewed not just as a logistical necessity but as a key driver of its competitive advantage. Effective supply chain design allows the company to optimise its operations, reduce costs and improve service levels, which in turn enhances its ability to deliver value to its members.

Vishwanath adds: “Our approach to supply chain design is deeply data-driven and aligned with our long-term strategic vision. By leveraging modelling techniques and technologies such as Coupa, we are able to run models to simulate impact before implementation. This allows us to adapt to market changes swiftly and continue to thrive in a highly competitive environment.”

There is an emphasis on cross-functional collaboration to integrate

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supply chain strategies with broader business objectives. This holistic approach not only drives efficiency and innovation but also ensures the business can respond effectively to evolving market demands and operational challenges.

Common challenges in supply chain design, modelling and optimisation at PriceSmart include managing complexity, ensuring data accuracy and adapting to market changes. These challenges are addressed by employing advanced modelling techniques and simulation tools to visualise and analyse different aspects of the supply chain. Data accuracy is maintained through data governance practices and regular audits to ensure reliability. PriceSmart stays abreast of best practices, market trends and new tool functionalities, allowing



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Vishwanath Krishnamoorthy is a seasoned supply chain expert, honoured among the top 50 professionals in the industry. With a proven track record in leveraging advanced analytical models, he has driven significant financial gains and operational improvements. As the AVP, Global Logistics, Planning, Process and Optimisation at PriceSmart, Vishwanath spearheads initiatives in network design, transportation optimisation and business analytics. His innovative strategies have enhanced operational efficiency and strategic decision-making across major organisations. Vishwanath's dedication to excellence has established him as a thought leader, consistently delivering impactful results and building resilient supply chains.



it to build better and faster models that keep it competitive. Collaboration across cross-functional teams and a comprehensive understanding of the business and its impact on stakeholders further supports efforts to overcome these challenges and maintain an efficient, resilient supply chain.

How does PriceSmart build a resilient supply chain able to thrive in such a time of disruption?

Ensuring a resilient supply chain is crucial for any successful business today. At PriceSmart, a multi-faceted approach is essential. The merchandising team excels at building strong relationships

with vendors and procuring the right mix of products to meet member needs. The logistics team maintains a smooth and efficient flow of goods, while the club operations focuses on keeping clubs well-stocked and creating a seamless shopping experience for every member. This coordinated effort guarantees that members have access to the right products at the right time, in the right quantity, quality, and price. Additionally, the company invests in technology to enhance visibility and implement robust risk management practices, continuously evolving its logistics strategies to address disruptions quickly.



THE APPROACH INCLUDES:

Flexibility and Adaptability: Designing a supply chain to be agile and capable of adjusting to changing market conditions and disruptions. This involves optimising network design and transportation strategies to swiftly adapt to new challenges.

Technology Integration: Leveraging advanced technology is crucial for enhancing resilience. The company uses tools for real-time visibility and data analytics, including predictive analytics and scenario planning, to anticipate potential challenges and take proactive measures.

Collaborative Approach: Strong collaboration across cross-functional teams helps in understanding the synergy between channels and integrate supply chain strategies with broader business objectives. This collaborative effort ensures that disruptions are navigated effectively.

Continuous Improvement: Through regular reviews, processes are refined and strategies are developed to maintain a robust supply chain capable of withstanding various types of disruptions. By focusing on continuous improvement, PriceSmart ensures that its supply chains remain agile and resilient.

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Vishwanath adds: “Through these strategies, we not only build a resilient supply chain but also ensure it thrives during challenging times, ultimately supporting our mission to deliver exceptional value and service to our members.”

What does an optimal supply chain look like?

At PriceSmart, optimising the supply chain is about achieving the perfect balance between cost, efficiency, speed and service. This is done by enhancing the network design to be robust, scalable and sustainable, refining logistics networks and transportation strategies to reduce costs while improving service levels.

Advanced analytics and real-time dashboards are crucial tools, offering critical insights into performance and helping PriceSmart align operations with market demands. The integration of technology such as Relx for

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forecasting and Coupa for expanded modelling capabilities streamlines processes and improves decision-making.

Sustainability is a key focus, with efforts to minimise waste and reduce the carbon footprint. The company’s digital platform is also a key area for providing members with greater convenience and optionality.

Collaboration across cross-functional teams ensures that supply chain strategies align with broader business objectives, driving innovation and cohesive execution. Continuous improvement remains central to the approach, with regular assessments and adjustments to enhance efficiency and responsiveness.

“This comprehensive strategy ensures our supply chain not only meets but exceeds the dynamic needs of our members, maintaining a competitive edge in the market,” Vishwanath says.

These ideas do not exist in a vacuum, as the supply chain strategy is often put under the stress of scenario planning to allow the business to anticipate an array of potential future conditions and uncover the sort of impact it would have on operations.

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“By modelling different scenarios, we can understand the upstream and downstream effects of decisions before implementation, identify potential vulnerabilities and evaluate the resilience of our supply chain,” Vishwanath says. “This proactive approach helps us design networks that support our growth objectives, whether it’s opening new clubs or distribution centres, centralising operations, or changing vendors and flows. Additionally, scenario planning aids in developing effective contingency plans for disruptions or shifts in demand, ensuring that we make informed decisions and maintain operational continuity even in the face of uncertainties, both anticipated and unforeseen.”



The future directions in supply chain management

Vishwanath adds that the business is observing several key trends shaping the future of supply chain management. Artificial intelligence and machine learning are increasingly gaining popularity to help drive better decision-making and operational efficiency. Sustainability is becoming more critical, with a strong focus on reducing carbon emissions and minimising environmental impact. Consumer behaviour is also evolving, with a growing demand for convenience and faster delivery options. The shift towards localised supply chains is helping to mitigate risks associated with global disruptions.

“At PriceSmart, we’re actively integrating these trends into our operations,” Vishwanath adds “By investing in technology and sustainability initiatives, we aim to enhance efficiency while meeting the rising consumer expectations for convenience. Our approach ensures that our supply chain is not only resilient and sustainable but also aligned with our members’ evolving needs and preferences.”

Technology and innovation are pivotal in shaping the future of supply chain operations. At PriceSmart, technology is viewed as a critical enabler that drives efficiency, resilience and

agility within the supply chain. PriceSmart is committed to leveraging advanced analytics, artificial intelligence and machine learning to enhance how they forecast demand, optimise inventory, and manage logistics.

Innovative technologies like tracking and automated systems significantly enhance the ability to respond swiftly to disruptions and adapt to changing market conditions. By leveraging these advancements, processes are streamlined, visibility is improved and data-driven decision-making is supported. The company is also continuously evolving its digital and e-commerce platforms to provide its members with greater convenience and optionality, ensuring a seamless and personalised shopping experience.

“Staying at the forefront of technology ensures that our supply chain and digital capabilities remain competitive and capable of delivering exceptional value to our members,” Vishwanath says. “Technology and innovation are integral to driving continuous improvement, supporting growth and achieving our strategic objectives.”

Vishwanath outlines his vision for the future of supply chain management, which centres on developing agile, efficient and sustainable ecosystems. To prepare for upcoming challenges, businesses should focus on building resilience to swiftly adapt to market changes and disruptions. This involves integrating sustainability practices by reducing carbon emissions and minimising waste. “Effective supply





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chain design is key to achieving agility, allowing organisations to be proactive rather than reactive, with the ability to quickly adjust and strategically respond,” he says. “Leveraging advanced optimisation techniques, real-time tracking, automation and predictive analytics will enhance efficiency and visibility. Incorporating these technologies alongside a member-centric approach ensures that evolving needs are met with convenience and precision. By focusing on these areas, businesses can create supply chains that are not only efficient but also adaptable and aligned with future market demands.”

PriceSmart moving forward

PriceSmart is focused on continuing its trajectory of growth and innovation, with a focus on expanding its presence in existing markets, exploring new opportunities for expansion and enhancing its digital capabilities to better serve members, while also continuing to





optimise the supply chain, ensuring it is robust, efficient and sustainable.

“By leveraging data-driven insights and advanced optimisation techniques, we aim to refine our processes and improve service levels, all while reducing carbon emissions and minimising waste,” Vishwanath says. “I’m confident that, by staying true to our core values of providing value and quality to our members, PriceSmart will continue to thrive, set new benchmarks in the industry and solidify its position as a leader.”

For supply chain optimisation at PriceSmart, key developments are aiming to achieve greater efficiency, accuracy and transparency in operations, with a likely increase in the integration and utilisation of advanced analytics and real-time data to enhance decision-making.

“We are also focused on increasing the scope and capabilities of our optimisation,” Vishwanath continues. “Sustainability will be a strong focus, as we seek ways to reduce our environmental impact while optimising our logistics and distribution networks. Refining our logistics networks to enhance agility will allow us to respond quickly to market changes and continue delivering exceptional value to our members across all channels. These efforts will help us build a resilient, efficient and sustainable supply chain aligned with our growth objectives.”





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