**Zappos.com: Developing a Supply Chain to Deliver WOW!**

**Show evolution of Zappos’ supply chain in a diagram. Advantages (Pros) and Issues (Cons) of model**

**Drop Ship Model**

Order

Shoe Co.

Zappos

Order

Shoes

* Push vs. Pull?
* Advantages / Pros **+**
	+
	+
* Issues / Cons **-**
	+
	+
	+
	+

**3d Party Logistics Model**

UPS managed Whse

Order

Shoe Co.

Zappos

Order

Shoes

* Push vs. Pull?
* Advantages / Pros **+**
	+
	+
* Issues / Cons **-**
	+
	+
	+
	+

**In-House Inventory Model**

Batch

Warehouse

Order

Shoe Co.

Zappos

Order

Shoes

* Push vs. Pull?
	+
* Advantages / Pros **+**
	+
	+
* Issues / Cons **-**
	+
	+
	+
	+

**. New Zappos Distribution Center**

* Variation on In-house Inventory model
* Continuous improvement
	+ 265,000 -> 832,000 sq ft
	+ Static shelves -> conveyor belts -> 2008 automated robots (moving shelves)