

"In my business, where everybody's clamoring for my attention, trust and track record are the most important things. The fact that I've established that with RSM over a long history on a variety of projects, there's no question that when I need a first-choice advisor, RSM is where I turn."

– Joshua Builder, Chief Technology Officer, Rent the Runway

## RSM'S COMPREHENSIVE RETAIL INSIGHTS SUPPORT RENT THE RUNWAY'S SUCCESS

### Overview

Rent the Runway is a fashion company that gives buyers access to luxury clothing experiences by changing the meaning of ownership and revolutionizing the retail buying model. The company rents women's fashion clothing on a one-time basis or via a monthly subscription model, selling through a large e-commerce presence and retail store experiences in six major U.S. cities. Rent the Runway is headquartered in New York City.

### Background

Rent the Runway is a unique company that must remain agile to anticipate dynamic changes in its environment from a customer demand, business, people and retail industry perspective. Technology is a key to Rent the Runway's success, but it had an aging JD Edwards system that was approaching end of life, and several costly homegrown solutions. The company faced a deadline to select and implement a new platform that aligned with company goals and could support evolving inventory and business processes.

### Project

After hiring a new chief technology officer (CTO), Rent the Runway sought to evaluate its current enterprise resource planning (ERP) environment, as well as its security posture. Based on a prior successful relationship with the new CTO, and proven depth of retail experience, the company chose RSM to help with ERP system selection, evaluate its security posture and develop a framework to support future success and growth.

"I realized that I needed a partner to help me evaluate what aspects of Rent the Runway were strategic and what aspects we actually didn't need to be strategic," said Josh Builder, Rent the Runway's CTO. "But because of the complications around our business and how nuanced it is, it's not really a straightforward equation."

The RSM team spent time with Rent the Runway to understand the unique aspects of its business, and where specific applications could help the company with its inventory management

challenges, given that all of its inventory is returned on an ongoing basis. This process helped the organization make some key decisions around its technology investments, while also becoming more mature from a security perspective.

"I rely on RSM's experience to help me evaluate the third-party marketplace of ERP tools, help me run selection processes and really get to know the business of Rent the Runway and what is so proprietary to us, and then help us design and implement solutions," said Builder. "I avoid my and my team's wasted effort combing through the marketplace. I avoid missteps in implementations because RSM knows the market and the tools, and has the resources."

Ultimately, RSM helped Rent the Runway select and implement the Microsoft Dynamics 365 platform with RSM's proprietary Rapid Verification Model to create one integrated, scalable retail ERP solution in the Azure cloud. The Dynamics 365 solution increases efficiency for Rent the Runway, consolidating many functions under one umbrella, creating greater insight into business processes and reducing the amount of support necessary to maintain the ERP system.

Following the successful ERP implementation, the relationship between Rent the Runway and RSM has grown as the company has continued to mature and grow. In addition to technology insights and advice, RSM has also provided Rent the Runway with support to optimize supply chain processes and infrastructure investments, and streamline the finance and accounting functions. With extensive retail industry experience, the RSM team can advise the company as it encounters specific problems, establishing a much deeper and wider relationship across the organization.

RSM has become a true first-choice advisor for Rent the Runway, bringing additional perspective and experience to the business as a whole. The company has grown tremendously in recent years, exploring new opportunities and revenue channels. With a deep understanding of the business, RSM is well-positioned to provide timely advice when Rent the Runway needs it.

"One key takeaway that I have from working with RSM is that they're not afraid to engage and get their hands dirty when working through problems," said Builder. "I face an ever-changing sophisticated set of problems, and to have a team that helps me dig in and not just advise from the sidelines, but really get in and roll up their sleeves alongside me and my team, is really crucial and important."

## Outcomes

By understanding the nuances of Rent the Runway's business and the retail industry as a whole, the relationship between RSM and the company has quickly expanded from helping with the ERP selection process to working within several additional areas of the organization. The Dynamics 365 platform increased insight and efficiency for the company, while RSM has also strengthened supply chain, finance and accounting, infrastructure, and security and privacy processes. The experience and agility of the RSM team has been a significant benefit to Rent the Runway, supporting the company's growth initiatives.

## Key benefits of RSM's solutions for Rent the Runway included:

- Eliminating JD Edwards and consolidating financial information and data previously held in several proprietary applications into a single ERP platform in the cloud
- Positioning the company for organic growth in retail growth through e-commerce
- Implementing modern technology and best practices to improve supply chain processes and security controls
- Providing perspective and deep experience to help efficiently develop effective solutions across the business

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