

PARLUX FRAGRANCES SWEETENS ITS COMPETITIVE CAPABILITIES

With Manhattan's
Warehouse Management

OPERATIONS

Headquarters: Fort Lauderdale, Florida
Facilities: 200,000 sq. ft. warehouse in
Keasbey, New Jersey

MANHATTAN SOLUTION

Warehouse Management



CHALLENGE

The company performed costly, physical inventories and the existing system couldn't keep pace with changing customer compliance requirements.

SOLUTION

Install Warehouse Management to automate inventory methods, pick and pack products based on customer expectations and leverage the increased capacity of the new distribution facility.

PROGRESS & RESULT

Parlux complies with retail customer requirements, eliminates manual inventory labor costs, and matches competitor's capabilities with Warehouse Management.

"It was clear that Manhattan Associates was the perfect fit for us—both operationally and financially. Warehouse Management is a turnkey, flexible solution that's ready to roll with minimal modifications, and we were impressed by how heavily Manhattan has invested in research and development."

JANE HERSHEY, VP OF INFORMATION TECHNOLOGY, PARLUX FRAGRANCES

POISED FOR SUCCESS

at Parlux Fragrances

PARLUX CUTS COSTLY INVENTORY LABOR AND ACHIEVES CUSTOMER COMPLIANCE WITH WAREHOUSE MANAGEMENT

Jessica Simpson, Paris Hilton and Queen Latifah are just a few of the celebrities for whom Parlux Fragrances creates branded fragrances. While the company is ranked among the top 100 cosmetic and fragrance companies in the world (and its products are sold at well-known department stores such as Belk, Macy's and JCPenney), it is still a relatively small operation.

Competing against global giants in the perfume industry, Parlux is located in Fort Lauderdale, Florida. For more than twenty years it has designed, manufactured, marketed and distributed prestige fragrances and related products. The company also sells through established distribution channels in more than 90 countries.

Parlux recently relocated its distribution center (DC) to a 200,000 square foot facility in New Jersey to be closer to the third-party fillers that bottle its products. But while the new DC provided more opportunities to increase productivity, other issues were getting in the way.

EFFICIENCY AND BUDGET BOTTLENECKS CHALLENGED RETAIL REQUIREMENTS

To compete on a high level playing field, it's essential for Parlux to deliver quality products with a reasonable cost and timeframe. But the company's existing warehouse and transportation system couldn't keep pace with changing customer demands.

"Compliance with our top retailers had become a huge issue for us," said Jane Hershey, vice president of information technology. "Labeling, transportation, palette processes and other needs were not being met." Other compliance demands required Parlux to consolidate and pack multiple units into different cartons. For example, Macy's wanted more products in each carton to reduce its transportation expenses.

Parlux was also carrying higher inventory levels at the larger DC, creating more problems for the company. It had to shut down operations for four days to conduct a physical inventory, which cost the company lost revenues and nearly \$60,000 in temporary personnel expenses. The manual inventory process also generated inaccuracies and waste. "Our search for a warehouse solution became a top priority," said Hershey.

"Manhattan works with large corporations to solve their supply chain challenges, but we operate on a smaller scale. Their team treated us with equal attention making sure Warehouse Management fit our operations perfectly."

MANHATTAN WAREHOUSE MANAGEMENT MAKES PERFECT "SCENTS"

Parlux was an existing LogPro customer, a product that Manhattan Associates acquired some time ago. A simple upgrade path was made available to the company and it seemed practical to move onto a Manhattan solution. However, Hershey wanted to select a provider based on merit and capabilities, not just take the next logical step.

"Our company also has a standard evaluation process that requires at least three options to be considered," Hershey explained. The company wanted to partner with a true warehouse provider that was focused on supply chain solutions and committed to research and development.

Four RFPs were submitted and carefully evaluated before Parlux selected Manhattan's Warehouse Management for IBM i. "It was clear that Manhattan Associates was the perfect fit for us — both operationally and financially," said Hershey.

"Warehouse Management is a turnkey, flexible solution that's ready to roll with minimal modifications, and we were impressed by how heavily invested the company is in research and development."



MANHATTAN HELPS PARLUX BATTLE INDUSTRY "GOLIATHS"

Because Parlux has a small IT shop, it relied heavily on the Warehouse Management solution to battle industry "Goliaths." "Manhattan works with large corporations to solve their supply chain challenges, but we operate on a smaller scale," said Hershey. "Their team treated us with equal attention making sure the solution fit our operations perfectly."

Manhattan provided the necessary conversion programs to get Parlux up and running quickly and efficiently. "We intended to start out slow, processing 10 to 20 pallets," said Hershey. "But we got slammed with a 130 pallet order from Federated. Without Warehouse Management we would have never pulled it off."

The order went out in less than three days, meeting all the retailer's packing requirements. In fact, Parlux can easily comply with all its customers' needs more efficiently than ever. In addition, the company has completely eliminated its costly inventory processes and manual reports, which has increased accuracy and reduced waste. Now, Parlux is well positioned to expand its operations and enjoy intoxicating success.

