

HIBBETT SPORTING GOODS SCORES A HOME RUN

with Manhattan Associates

OPERATIONS

Headquarters: Birmingham, AL
Distribution centers: 1

MANHATTAN SOLUTION

Warehouse Management,
Supply Chain Intelligence

HIBBETT
SPORTS



CHALLENGE

A paper-based system and lack of cross-docking capabilities constrained Hibbett's aggressive growth plans.

SOLUTION

A combination of Manhattan solutions automated procedures and increased efficiency.

PROGRESS & RESULT

Hibbett can support 500 additional stores from its original DC; decreased labor as a percentage of sales from 1.38% to 0.82%; increased cross-docked goods from 42% to 86%.

"Manhattan Associates' solutions have enabled us to transition our distribution operation from a warehouse that stored \$4M of goods to a true distribution center that houses just over \$1M of goods at any given time. Our products are now where they should be—within reach of our customers."

CLETE STRICKLIN, BUSINESS ANALYST, HIBBETT SPORTING GOODS

A WINNING SOLUTION

for Hibbett Sports

HIBBETT'S GROWTH CONSTRAINED BY INEFFICIENCY IN DISTRIBUTION CENTER

Hibbett Sporting Goods, Inc. sells sporting equipment, footwear and apparel through 700 stores in 23 states. Small town sports fans are Hibbett's primary customers and the company has aggressive growth plans. In fact, Hibbett plans to open an additional 70 stores in 2008. This growth, combined with Hibbett's corporate mission to customize its merchandise to meet local demand, poses a tremendous challenge for the company's distribution operation.

In 2001, an initial assessment of Hibbett's distribution center, located in Birmingham, Alabama, revealed that the company's operations were constrained by limited cross-docking capabilities, a lack of inventory visibility and an inefficient use of space. A paper-based system also led to an overall lack of accuracy and efficiency.

MANHATTAN SELECTED TO SUPPORT GROWTH WHILE LEVERAGING EXISTING FACILITIES AND LABOR

Hibbett turned to Manhattan Associates for help in retaining the same basic facility and labor resources, while meeting the distribution demands spurred by the company's aggressive growth. Warehouse Management and Supply Chain Intelligence solutions were implemented to fully automate the distribution process, facilitate cross-docking, maximize labor resources and provide a continuous analysis of the overall performance of the distribution center.

"With Manhattan's solutions, Hibbett projects that it can support the distribution requirements of an additional 960 stores from its original facility, potentially saving millions of dollars in construction and staffing costs."

MANHATTAN SOLUTIONS INTEGRATE WITH HIBBETT'S MANAGEMENT SYSTEM TO INCREASE EFFICIENCY

Hibbett uses Manhattan Associates' Warehouse Management solution for both inbound receiving and outbound order processing. The solution interfaces directly to Hibbett's Merchandise Management System (MMS) to pass orders to the warehouse for fulfillment. The Warehouse Management solution's ability to accept advance shipment notifications enables it to match an order with inbound receipts, facilitating cross-docking for Hibbett. When orders must be picked from the distribution center's on-hand inventory, Warehouse Management first groups them into efficient waves of work. After shipping, an update automatically passes back to Hibbett's MMS to ensure appropriate adjustments to inventory levels.

Manhattan's Supply Chain Intelligence solution allows Hibbett to monitor events and analyze the performance of its overall operations. This solution alerts users to exceptions in the supply chain process in real time—before the exceptions have a chance to negatively impact operations. The analysis functionality provides vivid, intuitive graphics of historical data for an accurate picture of Hibbett's operations, and the reporting functionality presents all performance-related information in a concise, user-friendly format so users can easily monitor the overall performance of the distribution center.



HIBBETT INCREASES THROUGHPUT 17.34%; REDUCES VENDOR-TO- STORE TURNAROUND BY 57%

After a successful go-live, Hibbett immediately experienced substantial improvements with the Manhattan solutions. Hibbett can now track goods—automatically and in real time—from the moment they are received until they are shipped. The number of cross-docked goods increased from 42% to 94%, meaning the vast majority of Hibbett's merchandise quickly moves from Hibbett's suppliers to the company's retail shelves, where customers can access it. Tracking and cross-docking capabilities, in conjunction with radio frequency technology, increased throughput by 17.34% and reduced vendor-to-store turnaround time by 13 days or 57%.

Space utilization at Hibbett also improved as a result of the company's ability to move goods rapidly through the distribution center, greatly extending the lifespan of Hibbett's 220,000 square foot facility. In fact, Hibbett projects that it can support the distribution requirements of an additional 960 stores from this facility, potentially saving millions of dollars in construction and staffing costs.

Finally, with Manhattan's Supply Chain Intelligence platform application, Hibbett can access hundreds of preconfigured and customized reports to track labor and equipment. These reports provide Hibbett with insight into the areas running at maximum efficiency and those needing improvement. Effective management of labor and costs has enabled Hibbett to decrease labor costs as a percentage of sales from 1.38% to 0.82%.

