

LIFESTYLE RETAILER BOOSTS DIGITAL COMMERCE THROUGHPUT BY 30%

OPERATIONS

Headquartered in the Northeast, United States, with customers across the globe

MANHATTAN SOLUTION

Manhattan WMS 2018,
Manhattan Order Streaming



CHALLENGE

A global lifestyle retailer needed faster fulfillment of ecommerce orders and more efficiency in one of its major distribution centers.

SOLUTION

Manhattan Warehouse Management with Order Streaming technology.

PROGRESS & RESULT

Overall throughput increased by 30% and click-to-ship times have been reduced by 38%, reducing capital spend on a new facility for a number of years.

“All of this is about meeting customer demands, prolonging the life of a major capital investment and positioning us to smoothly transition to the next phase of digital fulfillment.”

DIRECTOR OF SUPPLY CHAIN SYSTEMS

ECOMMERCE TRANSFORMATION AND MANHATTAN ASSOCIATES

TACKLING DIRECT TO CONSUMER FULFILLMENT

Headquartered in the Northeast, United States, the customer is a lifestyle retailer selling everything from men's and women's clothing to home goods to audio and visual products. The company has approximately \$3.6 billion in annual revenues with customers and locations around the world.

When fulfilling digital orders directly, the company had an average delivery time to customers of 5-8 days. The company's first priority was to both decrease the delivery timeframe and provide customers a more accurate delivery date estimate.

When analyzing its digital business, the retailer discovered that when using wave-based fulfillment at peak times during the year, expedited orders were frequently processed too late. Their process fulfilled ecommerce orders on a first-in, first-out basis – regardless of what the customer expectations were.

The inflexible nature of the wave process also meant the operation wasn't as flexible as it wanted to be when responding to late sales, expedited shipping promotions and other incentives used to promote and grow its ecommerce business.

Additionally, the company had a significant investment in its largest distribution center in North America. While the facility was relatively new, based on business growth, it was projected to run out of fulfillment capacity by 2021.

In order to keep its customer promises, respond to growing digital demand, and extend the life of its DC, our customer needed more throughput. That meant taking a new approach.

MAKING THE MOVE TO WAVELESS FULFILLMENT

In order to move away from first-in, first-out prioritization and start processing orders by promised delivery date, the company needed to transition away from wave-based fulfillment. The retailer looked at a number of warehouse execution system (WES) vendors, but ultimately chose Manhattan Associates for the project. The fact that Manhattan Warehouse Management (WMS) was already in use made the financial and time investments significantly lower and the transition smoother.

Since the customer was running Manhattan WMS v2014, the first phase of the project was upgrading to Manhattan WMS v2018 with Order Streaming, which was accomplished within three months.

After training and change management, the Order Streaming technology was put to work and operated reliably and efficiently throughout the peak season, immediately delivering noticeable results:

30%
increase in overall
throughput

15-20%
improvement in pick
efficiency

38%
lower click-to-ship
times

Reduction of missed
must-ship dates to near
ZERO

Thanks to the increased throughput, our customer gained several more years of use of its Pennsylvania facility before reaching maximum capacity. The retailer is currently building a fully automated DC in the United Kingdom, where Order Streaming technology will be used to process 100% of orders.

Commenting on the project with Manhattan Associates, their Director of Supply Chain Systems said, "Moving forward, as a company we're going to be more on the leading edge of technology and this project has been a big driver in that."