

HAPPIGO ADVANCES SUPPLY CHAIN WITH MANHATTAN ASSOCIATES

OPERATIONS

Distribution centre: Changsha, China
Total capacity: 376,737sq. ft.

MANHATTAN SOLUTIONS

Warehouse Management



CHALLENGE

Happigo needed a scalable supply chain technology platform to support its growth ambitions and enhance its overall service offering.

SOLUTION

Manhattan's WMS was selected to provide Happigo with a system capability that would effectively support its multichannel distribution needs. The system would help Happigo respond quickly to shifting demand patterns and facilitate the optimisation of its supply chain.

PROGRESS & RESULT

Following the implementation, Happigo is able to process an average daily shipping volume of 100,000 orders, three times the pre-Manhattan daily shipping volume. The outbound shipping volume hit 150,000 on the first day after the system went live.

"Manhattan has worked with retail giants across the globe and their experience working with highly successful companies gives us huge confidence in every aspect of our own deployment."

LI SU, CIO, HAPPIGO

ACHIEVING SUCCESS IN MULTI-CHANNEL DISTRIBUTION

at Happigo

OMNI-CHANNEL RETAILER RELIES ON SCALABLE SOLUTION FOR BUSINESS GROWTH

Founded by Hunan Broadcasting System in 2005, Happigo Home Shopping Co., Ltd., is a modern direct selling retailer using a variety of media channels including television, Internet, catalogues, telephone and mobile devices to create an integrated selling platform. It is a market-leader in China's B2C market and a pioneer in the new-generation of e-commerce in China. Happigo is the first live TV home shopping company in Mainland China having gone out with its inaugural broadcast in March 2006.

Based in Changsha, the capital city of Hunan Province,

Happigo has built two warehouses in the city with a total storage area of 376,737 square feet. With a constantly growing demand for its products, Happigo aims to improve business performance across all channels in the coming years with a vision to become the top player in

China's e-commerce industry and to become a publicly

listed company.

LEGACY SYSTEM IMPEDES BUSINESS GROWTH

However, to achieve these goals and support its fast-expanding business, Happigo knew it had to change its current ERP (enterprise resource planning) system, as its supply chain support capabilities would not meet the business's future needs. Moreover, the paper-based processes that were used for its day-to-day warehouse operation led to many inefficiencies and inaccuracies. "Our ERP system was, for a time, able to meet our order fulfilment needs, but we realised we would need a more specialised system to meet our projected future growth," explained Li Su, CIO of Happigo. "It was clear that a more comprehensive, flexible and scalable system was needed to support our continued business expansion."

CHOOSING THE RIGHT SOLUTION TO MEET FUTURE DEMAND

After a competitive selection process, Happigo eventually selected Manhattan's Warehouse Management System (WMS) for its two warehouses in Changsha. With its rich experience and reputation of working with the world's leading retailers, Happigo was confident that Manhattan would provide it with an industry-proven solution and ensure a smooth deployment path to enhancing Happigo's overall service to its customers.

"We believe our investment in Manhattan's solution is helping us deliver on our customer commitment to always provide a positive buying experience."

"Manhattan has worked with retail giants across the globe and their experience working with highly successful companies gives us huge confidence in every aspect of our own deployment," added Ms. Li.

Manhattan's WMS provides best-in-class logistics technology that delivers measurable ROI and productivity gains in inventory, labour, physical space, time and costs. The system efficiently manages multi-channel distribution operations and helps user companies to quickly respond to shifting demand patterns. It enhances inventory management by increasing accuracy levels and stock flow-through speeds, improves service levels by optimising the order fulfilment process and saves money by enabling productivity improvements throughout a company's distribution operation.

INSTANT BENEFITS UPON SYSTEM GO-LIVE

Following a period of discussion, system design, onsite testing and staff training, the project went live. Upon completion of the deployment, Happigo had enhanced its order processing capability, increased picking efficiency, improved inventory visibility, and streamlined communication with its suppliers.

1. Enhanced order processing

With Manhattan's order processing functionality, Happigo is able to execute each order faster and more accurately. The company is now able to process an average daily shipping volume of 100,000 orders, three times the pre-Manhattan daily shipping volume. The new system has also helped Happigo deal with order discrepancy handling, including order cancellation and back-orders, which Happigo's previous ERP system could not handle. With the improved order management capability, Happigo is now able to fulfil orders more accurately and conveniently, fostering higher customer satisfaction and loyalty. Moreover, with its powerful order execution capability, Happigo can take advantage of the countless promotional opportunities during peak season.

2. Increased picking efficiency

Prior to installing the Manhattan system, Happigo relied on its legacy ERP system's limited functionality and many manual, paper-based processes to run its picking operation. This approach was however plagued with inefficiency. Picking often resulted in duplication of activities and inaccuracies in inventory and orders. However, when Happigo replaced its paper-based picking operation with the radio-frequency enabled WMS from Manhattan, it was able to automate its picking operation and increase the

The new system is now able to automatically find an optimised picking route, reducing the time workers spend picking multiple products from across the warehouse floor. With its user-friendly interface and clear system direction, labour resources are maximised and even workers without prior industry experience can quickly be deployed in the picking area. In addition, through an advanced algorithm, the system provides suggestions for the optimum pallet type and size according to the dimensions and weight of the specific products to be picked for an order.

As a result, Happigo's outbound shipping volume hit 150,000 on the first day after the system went live. Prior to deployment, the number was between 30,000 and 50,000 per day.



3. Improved inventory visibility

With little visibility into product availability, location or movement before the deployment, Happigo lacked the ability to effectively service its customers from different channels. With Manhattan's powerful, yet easy-to-use inventory management tools, Happigo is now able to see inventory across its extended network — no matter how many channels, partners, product SKUs or outlets they have. What's more, the new system helps Happigo make necessary adjustments to its inventory in accordance with the company's upcoming promotional campaigns and whatever products happen to be the best-selling ones at a particular moment in time.

4. Improved communication with suppliers

Prior to the deployment, supplier shipments were randomly organised, disrupting Happigo's inbound inventory flows. However, Manhattan's solution enables real-time collaboration between Happigo, its suppliers and other relevant trading partners to improve communications and business process execution so that the distribution centre and its upstream supply chain has much better visibility of inbound stock. This way, Happigo can improve the efficiency of inbound deliveries from suppliers while also enhancing the relationship with different parties through smooth and clear communication.

"We are highly impressed by Manhattan's solution. Their constantly evolving supply chain technologies are helping us deliver on our long-term business goals," added Ms. Li. "We also believe our investment in Manhattan's solution is helping us deliver on our customer commitment to always provide a positive buying experience."

Looking ahead, Happigo is also planning to leverage Manhattan's other solutions, including its Extended Enterprise Management solution, as it looks to further accelerate business growth in the future.