

# FANTASTIC HOLDINGS LTD OPTIMISES DISTRIBUTION CAPABILITIES

with Manhattan Associates

## OPERATIONS

Distribution centers: 360,000 sq ft – Fairfield, NSW; 330,000 sq. ft. – Clayton, Victoria

## MANHATTAN SOLUTIONS

Manhattan SCALE™



## CHALLENGE

Needed to identify and implement a WMS solution with the scalability to support the diverse range of products offered under each of the company's five retail brands.

## SOLUTION

Manhattan SCALE selected for its ability to seamlessly integrate with the company's existing IT systems, including its ERP platform in order to ensure the right products get to the right place, at the right time, at the right cost.

## PROGRESS & RESULT

Improved order accuracy; increased operational efficiency; enhanced visibility; and seamless integration with the company's Dynamics AX ERP system in real time.

"Manhattan SCALE has provided innumerable benefits for our business. Not only has it helped deliver improved workflows, order accuracy and on-time delivery, it has also provided better inventory control and an increased level of visibility throughout the entire supply chain."

CRAIG HOLLAND, COO SUPPLY CHAIN, FANTASTIC HOLDINGS LIMITED

# MANHATTAN SCALE PROVIDES INNUMERABLE BENEFITS

at Fantastic Holdings Ltd

## FHL LOOKS FOR SCALABLE WMS TO SUPPORT BROAD SCOPE OF BUSINESS REQUIREMENTS

Fantastic Holdings Limited (FHL) is Australia's largest vertically integrated furniture retailer. FHL operates over 125 stores across its five brands including national retailers Fantastic Furniture, Plush Sofas and Dare Gallery, as well as Le Cornu in South Australia and the Northern Territory and the Original Mattress Factory in New South Wales (NSW).

Supporting FHL's retail brands are the Fantastic Lounge Factory, Royal Comfort Bedding and FHL Distribution. The Fantastic Lounge and Royal Comfort Bedding factories in Sydney supply the Fantastic Furniture brand with value for money, quality, Australian-made lounges and mattresses, while the FHL Distribution division supports all FHL's retail brands by sourcing, importing and distributing quality products.

With more than 1,400 employees nationwide, FHL continues to undergo consistent growth across its entire retail portfolio. As a result, FHL moves in excess of the equivalent of 18,000, 20-foot containers from its company owned and contract manufacturing facilities each year. In addition, the distribution arm of the FHL business coordinates over 9,000 truck movements to stores from its main 360,000 sq ft purpose built distribution centre (DC) at Fairfield, NSW and its newer 330,000 sq ft shared facility in Clayton, Victoria, each year.

As a company that prides itself on delivering the highest level of customer service, offering a unique and exclusive range of great value products across each of its retail brands, it is essential FHL operates a supply chain that can service the entire group in the most optimal way. Having highly efficient Australian manufacturing facilities, together with world-class supply chain capabilities, ensures FHL can not only provide customers with competitive prices but also ensure maximum product availability.

"As Australia's largest vertically integrated furniture group, it is imperative we ensure furniture is available to our customers on a timely basis. With such a broad range of products available under each brand, as well as the manufacturing component of our business, a seamless, efficient, end-to-end supply chain operation is critical to our ongoing success," explained Craig Holland, COO Supply Chain at Fantastic Holdings Limited.

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When the company made the decision to upgrade its Warehouse Management Solution (WMS), it recognised the need to introduce a robust solution that could support the company's growth strategy. It also had to integrate seamlessly with the company's other IT systems including its enterprise resource planning (ERP) and in-store Point of Sale systems.

"Although our legacy WMS solution was paperless, it was not best-of-breed and did not offer native integration with our new Microsoft Dynamics AX ERP solution," said Holland.

In addition, FHL's previous WMS solution did not have the required capabilities to support multiple brands across multiple DCs.

"With five retail brands, two local manufacturing facilities and a significant offshore procurement function, we were operating a number of disparate systems that could not support our warehouse management and distribution management needs effectively. Only the Fantastic Furniture brand had a dedicated WMS. We knew we needed to introduce a centrally hosted solution that could be rolled out to support the entire group," explained Holland.

## MANHATTAN PROVIDES FHL WITH INCREASED RANGE OF WMS CAPABILITIES

Following a comprehensive selection process during which FHL reviewed many competing WMS solutions on the market, the company opted for Manhattan SCALE™: Supply Chain Architected for Logistics Execution.

Manhattan SCALE is a portfolio of distribution management solutions built on industry-standard Microsoft .NET technology. By leveraging sophisticated optimisation techniques, Manhattan SCALE enables companies to tie together processes, data and workflows to improve supply chain operations.

**“One of the key strengths of Manhattan SCALE over many other solutions is its simple and flexible rulebased structure enabling our warehouse operations staff to manipulate processes to meet the changing demands of business, as opposed to potentially expensive vendor redevelopments.”**

FHL opted for the Manhattan SCALE solution because it offered an unrivalled range of capabilities plus an increased level of scalability—attributes that the company’s previous solution was simply unable to offer. In addition, Manhattan SCALE aligned seamlessly with the company’s proposed new business processes, ensuring support for each retail brand across multiple distribution centres.

“Fundamentally we wanted a solution that could integrate simply by offering an uncomplicated interface with our newly acquired ERP System Dynamics AX. The out-of-box integration allowed us to avoid any additional ground-up infrastructure development work, saving considerable time and money,” explained Jason Jack, General Manager IT at Fantastic Holdings Limited.

“Additionally the system needed to be adaptable and quick to implement. One of the key strengths of Manhattan SCALE over many other solutions is its simple and flexible rule-based structure enabling our warehouse operations staff to manipulate processes to meet the changing demands of business, as opposed to potentially expensive vendor redevelopments,” said Jack.

“Operationally Manhattan SCALE was relatively easy and quick to implement, and has enabled us to execute many process improvements. It has also offered the right functionality for our business with operators across all levels finding it extremely ‘user friendly’ and easy-to-use,” Holland explained.

## **MANHATTAN WMS OFFER BUSINESS CRITICAL BENEFITS TO FHL**

Since implementing Manhattan SCALE, FHL has enjoyed a number of valuable business benefits that have positively impacted every facet of the company’s distribution centre operations. In addition to the integration strength of the solution, which has been a key attribute, Manhattan SCALE has provided FHL with a common warehouse management platform that has the ability to accommodate centralised/decentralised and inhouse/outsourced operations across its entire business.



Commenting on the core benefits of the solution, Holland said, “Manhattan SCALE has provided innumerable benefits for our business. Not only has it helped deliver improved workflows, order accuracy and on-time delivery, it has also provided better inventory control and an increased level of visibility throughout the entire supply chain.”

FHL utilises a number of key warehouse management modules from the Manhattan SCALE solution including Inventory Management and Replenishment, which have led to increased efficiency in terms of receiving, direct put-away and order fulfilment.

In addition, the company leverages the order wave creation capability that enables it to manage batch orders. The company also uses the solution to support ‘load building’, a process that entails the creation of waves measured in cubic metres, which enables the company to plan subsequent distribution resourcing needs accurately and therefore, more efficiently.

Holland explained, “Wave management is a key feature for us. This capability has really helped increase the speed and efficiency of our warehouse operating procedures by streamlining key processes.”

By having a central database that supports the company’s ERP and WMS solutions, security as well as the integrity and accuracy of data also plays a very important role in the control of processes and workflow management.

“Inventory accuracy is fundamental to the success of our business. As a company that imports, manufactures and distributes products on a daily basis, it is imperative we have complete control and visibility of our stock throughout our supply chain, end-to-end,” said Holland.

Real-time visibility is also an important benefit enjoyed by FHL through its use of the Manhattan SCALE solution. Leveraging the solution’s ability to generate customised dashboards, FHL’s team is now better equipped to plan, track and execute the distribution functions that are core to its business.

Among the overarching benefits enjoyed by FHL since implementing Manhattan SCALE is the centralised nature of the solution, which has provided the scalability to support multiple brands across multiple sites.

“Although the Manhattan SCALE solution is hosted centrally, it has the ability to support multiple brands, across multiple locations and facilities. This is a hugely important capability that has, and continues to enable our business to enjoy cost savings and increased efficiencies throughout the many sectors of our growing supply chain operations. In many instances we have also been able to deliver these benefits in conjunction with our key trading partners” said Holland.”