

URBAN OUTFITTERS OPTIMIZES ITS SUPPLY CHAIN

Using Manhattan's Platform

OPERATIONS

Philadelphia, Pennsylvania

FACILITIES

Four distribution centers in North America and two in Europe, totaling one million square feet

MANHATTAN SOLUTION

Warehouse Management for IBM i,
Transportation Execution,
Supply Chain Intelligence

urbanoutfitters.com



CHALLENGE

Existing systems were taxed by the company's rapid growth and increasing volume.

SOLUTION

Manhattan's Warehouse Management and other Supply Chain Process Platform solutions offered the functionality and scalability to support Urban Outfitters' multi-channel operations and growth.

PROGRESS & RESULT

35% reduction in total headcount; 80% reduction in manifesting and invoicing processes; 66% reduction in turn time through receiving and 60% rise in put-away efficiency.

"We look for lasting relationships—with our customers and with our vendors. The first implementation was a great success and we consider Manhattan Associates a trusted partner that will grow with us as we continue to expand our global operations."

MIKE SPARKS, DIRECTOR OF SUPPLY CHAIN SYSTEMS
URBAN OUTFITTERS

GEARING UP FOR GROWTH

at Urban Outfitters

FROM VINTAGE AND BOHEMIAN APPAREL

to accessories, furniture, luxury brands and hip designer labels, Urban Outfitters is a trend setter. The company sells its wares around the world through multiple channels: specialty retail stores, websites and catalogs. Urban Outfitters retail stores attract the “mating and dating” age group, while Anthropologie serves the “nesting” female set. Besides global retail and direct-to-consumer channels, Urban Outfitters has a wholesale division, which distributes Free People, Leifsdóttir and BDG labels to more than 1,000 stores in the U.S. and Europe.

Urban Outfitters plans to expand its customer base in North America and Europe through additional locations and direct-to-consumer offerings. In preparation for this growth, it needed a warehouse management solution that could grow with it.

“Overtaxed systems and labor intensive processes made it difficult to keep pace with our growth rate,” said Mike Sparks, director of Supply Chain Systems. “We needed a warehouse management solution that addressed these issues and allowed us to develop a common supply chain process platform across our operations.”

With growth straining existing systems, Urban Outfitters decided to transform its processes onto a common supply chain process platform that could tie its operations together in the U.S. and Europe. The solution needed the capacity to handle high volumes involved with multiple warehouses across multiple channels. Urban Outfitters also wanted to increase process efficiency, improve supply chain visibility and pump up performance measures.

MANHATTAN'S EXPERTISE AND WAREHOUSE MANAGEMENT'S SCALABILITY WERE THE PERFECT FIT

Urban Outfitters undertook an extensive search for a company that could become a long-term partner and support its business strategies. It also needed a superior supply chain process platform solution to replace its multiple systems and labor-intensive processes. Urban Outfitters selected Manhattan Associates to transform its operations.

“We wanted to work with the best supply chain experts and solutions to achieve our objectives and take our distribution processes to the next level,” said Sparks. “Manhattan Associates’ Supply Chain Process Platform and Warehouse Management had the scalability and depth of functionality to support multi-channel operations and growth.” Leaders and followers, and Jackson said the game nicely demonstrated the value of their differences while highlighting ways they could interact most effectively with each

other. Jackson said. “It showed that working at the same pace was more beneficial than pulling out ahead of others. Thousands of people work together in distribution operations. To be most effective, it’s important that everyone is working to the tune of the same beat.”

BLENDING MULTIPLE SOLUTIONS WITH “INHERITED” EQUIPMENT

Urban Outfitters launched the new warehouse management project with its direct channel division and an additional DC that it had acquired in South Carolina. The solutions improved distribution processes, integrated with existing technologies, and supported the direct channel’s high volumes of small orders. With the acquisition of the new DC, Urban Outfitters used Warehouse Management’s integration capabilities to incorporate the tilt tray sorter and other material handling equipment already in place.

“One of the reasons we chose Manhattan’s solution was because it integrated with the material handling equipment that we inherited in South Carolina,” said Sparks. “This allowed us to leverage the equipment that was already in place.”

Urban Outfitters had the South Carolina facility up and running on schedule within a year. As it expands and becomes more adept with the Warehouse Management, the company expects to roll out future facilities in just six months—cutting implementation time in half. This goal will be tested when Urban Outfitters opens a new West Coast facility in 2012.

LABOR EXPENSES DROP AND PRODUCTIVITY RISES

Urban Outfitters obtained a significant return on its investment with Manhattan’s Warehouse Management and other supply chain solutions. It increased productivity and supply chain visibility while improving collaboration with trading partners and product flow. Since implementation, Urban Outfitters has experienced a:

- 35% reduction in total headcount
- 80% reduction in manifest and invoicing processes
- 66% reduction in receiving turn time, from 3 days to less than one
- 60% rise in put-away efficiency

Warehouse Management helps the company plan distribution of incoming shipments better, and fulfills orders more quickly and accurately. Handling time and inventory levels have decreased and stores receive more accurate information on shipments.