

Nothing succeeds like success – so long as you can keep up with it. Quite often, particularly among retail and wholesale suppliers, that means keeping up with the demands of the shifting distribution landscape.

For many distribution centers, that translates to meeting evolving trends and operational challenges that impact costs, profits, customer satisfaction and future business opportunities. For newer businesses, including emerging enterprises that have enjoyed especially rapid growth, those distribution challenges may be even more formidable.

Among the more demanding distribution trends are those that affect the retail supply chain. Prominent among them are SKU proliferation, order tracking, accuracy and various forms of retail compliance. And satisfying the demands of those trends requires a robust yet flexible supply chain execution system.



Unique Customer Expectations

“Our customer base is composed of women who are shopping for clothing and other items that they feel very strongly about,” explained Shopbop’s Sarah Halvorson. “When a woman comes to a website, she wants the products fast. When she sees a dress, handbag, or a pair of shoes that she loves, she can’t wait to have it in her hands. Our goal is to get products to our customers as fast as we can.”

To gain customer loyalty and repeat sales, Shopbop knew it must have the system to do many things in real-time and achieve a very high degree of accuracy. Shopbop’s need to track orders and inventory across multiple warehouses required a creative solution.

“So, we talked about the possibilities of faster put-away as well as other items with Intek,” Halvorson said. “They were very responsive and proposed their Warehouse Librarian system, which was configured to meet our needs. The Intek developers made a

A Key Tool for Navigating the Shifting Distribution Landscape

Shopbop.com and Beauty Brands, two fast-growth retailers, use a powerful and flexible Warehouse Librarian Supply Chain Execution system to overcome distribution center logjams and maximize response, accuracy and accountability.

Just as growth curve may be extraordinary during a successful company’s early years, the effects of having inadequate execution systems in place can be even more dramatic.

“In the midst of early and very rapid growth we had a rather archaic warehouse management solution (WMS) that offered no tracking or real accountability, and that would have held us back significantly,” says Sarah Halvorson, warehouse operations manager for booming online apparel retailer Shopbop.com (Madison WI). “Our first WMS began to handcuff our growth,” says Steve Eckman, VP corporate development and finance, Beauty Brands, Inc. (Kansas City, MO). “It was a host software module that was completely manual, and as our volume grew, that became a considerable stumbling block.”

Both Shopbop.com and Beauty Brands are stunning success stories in sales and distribution. Shopbop, which sells hundreds of brands of trendy women’s apparel via its website, started business in 1999. Beauty Brands, which sells through a 50-plus chain of salon-spa-superstores, took the beauty retail industry by storm 12 years ago by introducing the revolutionary concept of a full-service salon and spa within a dynamic retail environment, providing one-stop convenience for both high-quality products and services.

Both businesses had other things in common besides a need to automate their supply chain systems with a robust and flexible system – both companies had stringent requirements in terms of configuration, scalability or implementation. The organizations invited Intek Integration Technologies (Snoqualmie, WA) and other suppliers to propose and implement solutions.



Above, a carousel unit pre-spinning inventory into place for order picking

change in the software and it worked great, so we have been using that ever since. It has increased put-away efficiency by 100 percent.”

The Warehouse Librarian system has facilitated other improvements at Shopbop, as well. Through their supply chain system, Intek maintains an up-to-the-second record of inventory with exceptional accuracy. Inventory is validated when a customer purchases, and Shopbop immediately ships the item. This form of operational excellence enables Shopbop to consistently exceed customer expectations.

Warehouse Librarian is perhaps the most scalable supply chain execution and warehouse control system in the industry. Because of the increasing complexity of database systems and the increasing complexity of large supply chains, this product provides a solution for very large supply chain execution applications and features multi-facility management and distributed databases.

Targeting Microsoft SQL Server or Oracle database back ends, enhanced with multi-channel I/O, clustering, and if necessary solid state disk implementations, Warehouse Librarian Enterprise offers a focused solution at a fraction of the cost of those offered by traditional suppliers in the Tier One supply chain management marketplace.

Dealing with SKU Proliferation

When Beauty Brands decided to upgrade its paper-based WMS system, the number of SKUs had grown dramatically to over 6,000. Simultaneously, the company was moving from a smaller, leased warehouse facility in Kansas City to a 120,000 sq. ft. space that was remodeled to meet Beauty Brands' needs.

"We had to deal with the SKU proliferation and accuracy," Steve Eckman said. "So we had to acquire and go live with the appropriate WMS in about 10 months, and continue to operate from one warehouse while we finished the other. That was a tall order for an organization."

Eckman's team brought in a consulting firm to perform an analysis and provide recommendations for a new automated supply chain execution system. After considering the various criteria, Beauty Brands decided to acquire Intek's Warehouse Librarian package. Although the timeline allowed only one week of leeway, the system was customized, configured and went live on time.

Eckman had Intek write the host-WMS interface. The host system has auto replenishment features, so that automatically sends orders down to the system on a daily basis.

"We also integrated a pick-to-light system for the high-flow zones," Eckman said, "and bolted that onto the WMS. So, we now have a very efficient and accurate means of picking product in terms of both volume and velocity. Our accuracy improved from approximately 1% (before the new WMS) to 0.12% on lines processed at the end of 2007."

Because of the design of its Warehouse Librarian software, Intek is able to provide a comprehensive management and control system that is scalable and easily configured. Appropriate configuration is achieved through a series of software switched that add functionality and range as required by each customer.

For that reason Intek has been able to meet the changing needs of clients ranging from giant manufacturers, retailers and e-tailers to smaller firms, at an affordable price - and another important factor is the ability of the Intek personnel to fully understand the business, not just the application. **OTC**

Founded in 1987, Intek Integration Technologies, Inc. is a software company specializing in supply chain execution, automation and materials management systems. Intek's in-depth experience delivers fully integrated warehouse distribution, control, and material management systems including all products and services from concept through implementation and long-term support. Clients include: PETCO, Matsushita/Panasonic, Shopbob.com, Beauty Brands, Medtronic, and Sur La Table. For more information contact Intek Integration Technologies, 35328 SE Center Street, Snoqualmie, WA 98065; Phone: (425) 455-9935; Fax: (425) 455-9934; E-mail: sceinfo@intek.com or visit the website www.intek.com

