

Growth Drives Need for Speed, Flexibility and Greater Capacity for Fashion Footwear Company

A publicly-traded fashion footwear leader with \$2 Billion+ in annual revenues; The company sells licensed, branded and private-label casual, dress and athletic footwear products for women, men and children through retail stores, wholesale partners and its own direct-to-consumer (DTC) website. They carry more than 150,000 SKUs across all three channels.

Fortna engaged for a complex and challenging retrofit of two highly automated omni channel distribution centers simultaneously with multiple instances of WMS software that had to be converted to a single system.

“This project was extremely successful! In our time working with Fortna, they have come to understand all aspects of our business.”

— VP of Supply Chain

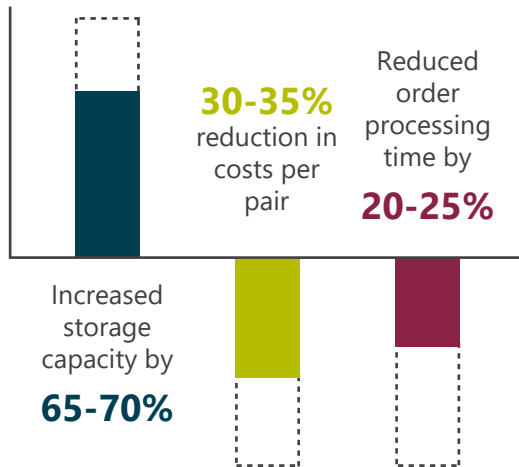
The Challenge

To remain competitive and continue growth in a highly demanding omni-channel retail environment, the company needed to further increase speed, flexibility and capacity in its operations. To address customers' expectations for the latest styles, as well as their old favorites, they were adding new SKUs with each season. This created inventory storage capacity issues, while growing order volume accelerated the need for additional throughput capacity. An older east coast DC needed modernization to deliver the speed and flexibility required to fulfill wholesale, retail and DTC orders faster and more efficiently. At the same time, improvements were to be made to the west coast DC to increase capacity across the network.

The Solution

The retrofitted east coast distribution center is designed to support volume growth of multiple business units through the horizon of 2018. The company's 200K+ SF expansion and retrofit of this DC would shift 90% of their Wholesale volume from a west coast DC to this facility to provide better service to wholesale customers on the east coast. And 75% of the retail network volume shifted to the east coast DC while number of stores served increased from roughly 600 to 860.

The retrofit design included the addition of a new cross-belt sorter with 506 sort destinations, the replacement of two aging sliding shoe sorters, and a change to a more efficient picking process which required fewer steps. Camera scanners were also implemented to remove manual scan labor. And receiving lanes with auto-receipts and print and apply (PandA) lines allow for better cross-dock processing of full cases. New pack lines, additional print and apply lines and conveyor were implemented



The Fortna Difference

For over 70 years, Fortna has partnered with the world's top brands to transform their distribution operations into a competitive advantage.

Fortna helps clients make and keep bold promises to their customers – fast, accurate and cost-effective fulfillment consistently at every touchpoint, across every channel.

Our expertise spans distribution strategy, distribution center operations, material handling automation, supply chain systems and warehouse execution systems. We built our firm on a promise – we develop a solid business case for change and hold ourselves accountable for results.

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Call: 800-367-8621

Email: info@fortna.com

Web: www.fortna.com

as part of the retrofit. And systems work was implemented to update and consolidate multiple instances of WMS and replace warehouse controls with FortnaWCS™ EV 10.

The Results

The company now has the capacity to enable growth and leverage inventory with greater flexibility across channels to deliver the highest levels of service for its customers. The retrofitted east coast DC is designed to support 20-25% growth in units, 35-40% growth in SKU count, and 65-70% increase in storage capacity. Operational efficiencies helped reduce cost per pair by 30-35%. They lowered transportation costs and improved service to wholesale customers by processing orders in both the east and west coast DCs.

The newly retrofitted DC also allows them to process orders faster, reducing by 20-25% the time to process initials and replenishment orders for retail stores. The goal is to reduce the order-to-delivery cycle for retail, wholesale and online customers by processing orders the same day they are received. The processing speed increased 60-65% for retail direct-to-consumer orders. The company now has the capacity to enable planned growth and leverage inventory with greater flexibility across channels to deliver the highest levels of service for its customers.