

Supply Chain Strategy for Luxury Bed & Bath Retailer

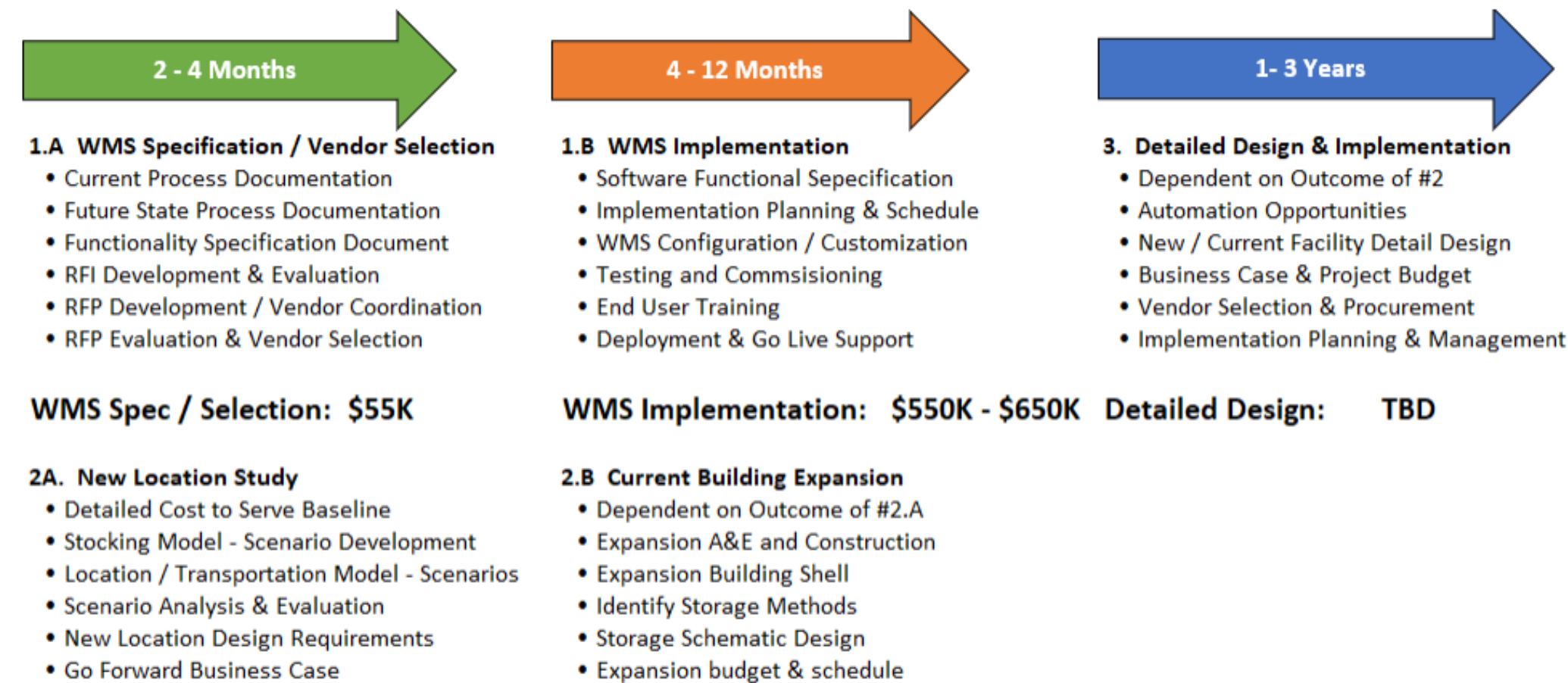
A \$50M luxury bed and bath retailer with 7K SKUs faced high growth (20% CAGR) and labor challenges, struggled with inefficiencies in its warehouse operations, and long-term DC capacity needs

Develop a multi year roadmap with prioritization of initiatives and timelines that addresses future systems, capacity & labor challenges through efficient operating models

Approach:

- Conducted a detailed analysis of current conditions (channel, order profiles).
- Collaborated with planning, logistics and operations teams for future growth projections by channel, SKU , Inventory turns etc.
- Developed an optimized forward pick & reserve storage requirements by product class, ABC segmentation of SKUs by velocity.
- Presented automation options in the picking & packing process with estimated costs & ROI.
 - Manual / Automated Putwalls
 - Autobaggers
 - Print & Apply
 - Carton Sealing (Semi / Full Auto)

	Design Yr. Direct FTE Reduction	Investment	Notes
Autobaggers	(3)	\$150K - \$175K	1 Tabletop + 1 Stand Alone Unit
Print & Apply / Carton Sealers	(3)	\$250K - \$325K	1 Line PANDA/Semi Auto Seal
Putwalls			
Manual Putwalls	(4)	\$180K - \$220K	(4) Put Wall Cells + Software (\$100K)
Automated Putwalls	(5)	\$500K - \$600K	(5) Modules @ \$70K/per + Startup (\$150K)
Picking (Assumes Putwalls in Place)			
Person to Goods	(2)	\$350K - \$500K	(10) AMRs - 2.5:1 Ratio + Software/Startup (\$150K)
Goods to Person	(3)	\$1.0M - \$1.25M	(2) Pods + (10) AMRs + (8K) Bins + Startup (\$500K)



SKU Class	% SKU's	SKUs	% Cube	Total Cube	Cube Per SKU / Day	Planned Cube/SKU	Slot Type	# of Bays	Total Est SF
Bath									
A	1%	18	40%	109,954	24.89	124.5	Pallet	9	651
B	10%	141	40%	109,954	3.08	30.8	Pallet	71	5,253
C	89%	1,262	20%	54,977	0.17	5.2	Carton Flow 60"	105	11,974
Total Bath		1,421							17,878
Bed									
A	1%	94	40%	33,420	1.40	7.0	Carton Flow 60"	8	896
B	13%	883	40%	33,420	0.15	1.5	Shelf - 16" wide	37	1,670
C	85%	5,751	20%	16,710	0.01	0.3	Shelf - 8" wide	120	5,436
Total Bed		6,729							8,002
Down									
A	7%	6	40%	28,015	18.46	92.3	Pallet	3	224
B	28%	23	40%	28,015	4.86	48.6	Pallet	11	850
C	65%	53	20%	14,008	1.05	31.5	Pallet	26	1,967
Total Down		82							3,040
Table									
A	10%	51	40%	650	0.05	0.3	Shelf - 8" wide	1	48
B	29%	145	40%	650	0.02	0.2	Shelf - 8" wide	3	137
C	60%	296	20%	325	0.00	0.1	Shelf - 8" wide	6	280
Total Table		491							465
Total Est SF									29,385