

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)			

2 - 4 Months

1.A WMS Specification / Vendor Selection

- Current Process Documentation
- Future State Process Documentation
- Functionality Specification Document
- RFI Development & Evaluation
- RFP Development / Vendor Coordination
- RFP Evaluation & Vendor Selection

WMS Spec / Selection: \$55K

2A. New Location Study

- Detailed Cost to Serve Baseline
- Stocking Model Scenario Development
- Location / Transportation Model Scenarios
- Scenario Analysis & Evaluation
- New Location Design Requirements
- Go Forward Business Case

4 - 12 Months

1.B WMS Implementation

- Software Functional Sepecification
- Implementation Planning & Schedule
- WMS Configuration / Customization
- Testing and Commissioning
- End User Training
- Deployment & Go Live Support

1-3 Years

3. Detailed Design & Implementation

- Dependent on Outcome of #2
- Automation Opportunities
- New / Current Facility Detail Design
- Business Case & Project Budget
- Vendor Selection & Procurement
- Implementation Planning & Management

WMS Implementation: \$550K - \$650K Detailed Design: TBD

2.B Current Building Expansion

- Dependent on Outcome of #2.A
- Expansion A&E and Construction
- Expansion Building Shell
- Identify Storage Methods
- Storage Schematic Design
- Expansion budget & schedule

Slotting Detail Forward Pick Traditional (Design Year - 2026)

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

