



## Project Data

*Client:* Premier North American Footwear Retailer

*Location:* Louisville, KY

*Timeframe:* 6 months

*Key Project Factors:* Client had been successfully growing its brick-and-mortar store operations over the last several years and was anticipating 50% additional year-over-year growth impact to the existing store network. The distribution network capacity that was servicing the stores was not sufficient to sustain the anticipated growth projections. CONTINUUM to task with providing initial guidance on evaluating existing facility space, processes, systems, layout and equipment and identifying a go-forward plan to address the planned capacity needs.

## The Challenge

Existing capacity constraints had already impacted store fulfillment operations and service levels in previous years and an anticipated year-over-year growth projection of 50% were anticipated to cripple existing distribution operations if additional capacity could not be created within the network. In addition, several changes in process designed to improve operational efficiency were not positively impacting the facility and were in fact negatively impacting quality and accuracy across processing operations. Early on during initial evaluations, CONTINUUM identified that "put to store" functionality was not being leveraged by the client and an antiquated discrete store pick process was being used to process orders.

## The Approach

CONTINUUM identified several immediate process, system, layout and people-focused opportunities across the distribution network that were needed to address anticipated future capacity constraints and subsequently support improved facility efficiency, throughput, accuracy, service, inventory and quality control. Both the opportunity and the benefit of linearly increasing available floor space to address current growth projections did not exist for the client, so improvements to process, systems and facility design were required to increase and support operational effectiveness.

## The Results

Major process improvement opportunities including "Put to Store," "Bulk Pick," Cross-Dock, and Pallet/Case Active Storage & Retrieval functionality were implemented. System improvements including "Point-to-Point" inventory tracking, downstream internal failure audit functionality and dynamic containerization were developed to support operational efficiency. Improvements to facility and automation were designed and implemented including Dynamic Put-Wall integration, MHE picking functionality and conveyor transport systems with in-line "weigh & motion" quality control to support optimized flow. All operational improvements implemented during the engagement supported the transition from a "discrete store pick" to a "put to store" operational model which saved 27% of total facility labor costs and provided the necessary solution to address capacity constraints through higher density vertical storage, MHE picking & minimized floor space.