

Fashion Accessories Retailer Reduces Shortage Allowances for Major Retail Customers Through Using Pick to Light Solution

Features and Benefits

Increased Productivity

Improved Accuracy

Faster Employee Training Curve

Less Employee Turnover

Reduced Picking Labor by 50%

Industry Group: Order Fulfillment Solutions (OFS)



The Challenge

An international designer, manufacturer and distributor of fashion accessories was fulfilling its strategic plan to become a top supplier of belts, wallets, handbags and other products to major retail customers. Largely through acquisitions the supplier's successful growth plan presented their distribution operations with increased order volume and a unique challenge on how to meet it. What solution would enable increased throughput of their national brand name and proprietary label products to customers without physical expansion of their current distribution center?

The project team also decided that any new method or technology must be implemented successfully within a short timeframe to minimize the interruption of operations.

The Solution

The clothing accessories supplier was already deeply committed to fully utilizing their Warehouse Management System for better inventory control and to comply with their customers' varying distribution regulations.

The clothing accessories supplier decided that the logical choice was to optimize their order picking

process to accommodate higher volumes. A Pick to Light system was installed to maximize productivity by leveraging their current warehouse technologies and material handling infrastructure. The Pick to Light hardware retrofit to their existing flow rack system and featured proven, seamless integration with their WMS for reliable data communication.

The Benefits

The leap from a label-based pick method to a lightdirected one was accomplished well within the allotted project timeline and budget. The new picking systems also provided the desired effect on their order fulfillment operations.

The necessary integration with the WMS software had been achieved to ensure a reliable host interface in a high transaction environment. Order accuracy improved from .32% to .0013%. This allowed the accessories supplier to reduce shortage allowances given to just one major customer by approximately \$81,000 a year. The increased order quality also allowed them to reduce their audit lines, providing an estimated \$80,000 in annual labor savings.

After installing the Pick to Light system their average pick rate increased from 171 lines per hour to 350 lines per hour, for a 105% increase in order picking performance. The dramatic increase in pick rate has allowed the company to process twice as much product with less labor, utilizing the same warehouse space.



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