SKECHERS USA

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SKECHERS USA, Inc., is an award-winning global leader in the lifestyle footwear industry. They design, develop and market lifestyle footwear for men, women and children of all ages. With more than 3,000 styles, SKECHERS meets the needs of male and female consumers across every age and demographic. With such a large range in styles and sizes, it's imperative to have a good handle on logistics within their DC. That's why they called Wynright when it came time to build their 1.8 million square foot DC in Rancho Belago, CA.

Challenge

Between 1997 and 2007, SKECHERS added distribution centers on an as-needed basis, resulting in the high cost of inconsistent equipment, systems, and seasonal labor needs. Each building had different equipment, and each handled a different piece of the order fulfillment process. The additional handling required to move

Quick Facts

Facility Facts:
SKECHERS USA
Footwear Distribution Center
Moreno Valley, CA

Size:
1.8 Million Square Feet

Product Handled:
Lifestyle and athletic footwear (oxfords, boots, sandals, sneakers, training shoes, and semi-dress shoes)

Employees:
500 full time

Shipment Method:
LTL
Fulfillment Accuracy:
99.7%

product between buildings for order fulfillment added considerable time and cost to the fulfillment process. Even with these multiple facilities, they lacked the space required to satisfy their growth forecast.

SKECHERS, USA sought Wynright's help to unify the inventory management and distribution of nearly 70,000 SKUs from five smaller locations into a new 1.82 million square-foot distribution center. The new center needed to resolve issues dealing with manual handling, multiple touches, product flow and storage, and carton sequencing.

Solution

Wynright's design solution incorporated a 12-aisle mini-load AS/RS system with 58,000 square feet of storage space and nearly 106,000 storage positions, and a 44-aisle mini-load AS/RS system with 150,000 square feet of space and more than 257,000 storage positions. These two mini-load automated storage and retrieval systems can accommodate random master carton and repack box sizes.

A new residual process was developed to reduce manual handling and multiple touches of residual product. With the new automated system, only product needed is decased, product only requires one touch, and manual handling was nearly eliminated. Bottlenecks caused by surges under the old system were eliminated with the new system.

Conveyor Utilized:
AutoRoll+™ Motor Driven Roller
Photo-eye Accumulation
Live Roller
Belt and Belt Incline/Decline
Gravity Roller/Wheel
V-Belt Power Curves

Sorters Utilized:
Unit Sorter
MultiBelt Sorter

Other:
(2) Mini-Load AS/RS
135,000 Sq. Ft. Mezzanine
(2) Telescopic Truck Unloaders
(13) Telescopic Truck Loaders

Value added services such as tagging, or adding promotional items to cartons are plentiful in the SKECHERS, USA operation. Work stations, fed by MDR conveyor, were added to streamline the VAS process. The new system monitors VAS infeed vs. capacity and reroutes to storage as needed. The automated storage of overflow cartons eliminated the need to stack cartons on the floor. Plus, overflow cartons get retrieved in priority sequence, so sequencing issues were also eliminated.

Wynright redesigned the Pack and Hold process, eradicating all non value-added touches which eliminated the need for manual handling of cartons and pallets and extensive staging. The new process, driven by picking and sorter efficiency, reduced dock space requirements and improved response time to truck loading requirements.

Wynright also designed and erected a 135,000-square-foot mezzanine that won the 2011 design award from the Steel Joist Institute.

Outcome

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SKECHERS, USA was able to achieve their goal of eliminating multiple buildings. This alone reduced transportation costs, reduced inventory issues by putting it all under one roof, consolidated their management structure, and reduced order cycle time. The new facility gives them ample space to meet their current needs with room to grow on site.

SKECHERS, USA can now process approximately 17,000 pairs of shoes per hour — more than double the number handled in its old buildings, and the system is capable of handling expected growth of 25%. The number of times a product is touched between receiving and shipping has been reduced by at least 50%. Previously, 1,200 associates were required during peak periods; the new facility requires about 300 employees for average volumes and an estimated 500 during peak periods.

The new facility — as of 2011, the largest LEED-certified building in North America — has helped SKECHERS meet two strategic goals: it consolidates all North American distribution under one roof, and it sets the stage for continued growth.