

## Case study Internet Fashion Company

<b>BENEFIT</b>	<b>MEASURE</b>
Storage Capacity Increase	20%
Picking rate increase	30%
Labour costs reduction	30%
Parcels despatched daily increased by	25%

### **The background**

With a high internet presence selling fashion brands (turnover £11 million), this client wanted to transfer and expand its operations.

### **The issues**

The company had outgrown the premises it was operating from in Amersham and as a result was unable to grow sufficiently to meet the sales demands. This required the company to focus on;

- Sourcing a larger distribution centre with proportionate office space
- Streamlining the goods in and despatch operations
- Streamlining the overall labour costs
- Introducing pick and pack targets
- Faster processing of returns stock

### **The project scope**

The scope of the project was to achieve the following;

- Source a suitably sized building
- Make the building fit for purpose
- Install racking, pick-face, mezzanine floor and long span shelving
- Design the goods in area
- Design and install the packing area
- Design the despatch area to include a holding area for up to 5,000 parcels
- Write new "best practice working procedures"
- Train all staff on the new procedures
- Set up a new returns processing area and redefine the returns process
- Introduce pick and pack targets and a process for monitoring individual targets
- Design and set up a customer services office
- Transfer the customers stock to the new building
- Transfer the customers operations and customer services to the new building
- Transfer of all IT activity



## The method

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WBS Group always recommends an implementation team which comprises a combination of WBS and client personnel. Acting upon this recommendation, the client created a project team to work with WBS and the team was trained in the appropriate skills required to perform the tasks to successfully complete the project.

Working closely with the operations team and senior management, the team was split into groups reporting directly to the WBS Group Project Manager

- Stock Transfer Team – targeted with identifying the stock to be moved, packing and itemising the stock, arranging transport, unpacking and sorting at destination and uploading onto the company's computer system
- Operations Transfer Team – targeted with moving customer services team, returns team and human resources
- Build out Team – targeted with the installation of the racking, building the mezzanine floor, designing and installing the pick – face, building the long span shelving, installing new lighting, fire detection system, sprinkler system and security alarms.
- IT Team – targeted with the transfer of data from the MRP system, moving all the computer hardware and software, testing and ensuring readiness for go live date

## The benefits

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- The seamless transfer of product over one weekend from the old premises to the new
- No disruption to the clients' customers
- Increased storage capacity by 200%
- Ability to store products by range (fast, medium and slow moving)
- Increased picking rate by 30% due to the new layout, lighter faster picking trolleys and the introduction of a sequential picking walk
- Reduced labour costs by 30%
- Faster processing of stock through the goods in area
- Increased number of parcels being despatched on a daily basis by 25%
- Reduced lead time on customer refunds from 3 days to 2 due to new returns process
- New procedures written and trained out to all staff
- Increased employee morale due to the improved working conditions

