

## Case Study

# Retail Company

## Driving Extraordinary Growth Amid Challenges: A Case Study on a Notable Retail Company

**Discover how a haircare products distributor increased productivity by 1,566% and reduced lead times by 79% with PeakLogix's ScottTech PickPro® WMS.**

**The company recognized an opportunity for an innovative design paired with sustainability in the beauty and hair industry. For over a decade, they have created innovative hair products sold throughout various retailers and high-end salons. As they rapidly expanded, they needed to address operational challenges quickly.**



## The Challenge

Despite experiencing a notable increase in revenue, the company encountered substantial difficulties in its warehouse operations due to a rapid increase in order volumes. This sudden growth highlighted the shortcomings in their operational infrastructure, leading to significant delays in order processing, ranging from 10-14 days. These delays burdened the warehouse staff, who were tasked with manually finding products to satisfy the growing stream of customer orders.

In its earlier stages, when growth was more moderate, the company had implemented a manual system for warehouse management. A select group of employees, well-versed in the location of each item, were responsible for this system. This approach was efficient for handling orders on a smaller scale, but as the company expanded, its limitations became evident. The manual system's inefficiency was increasingly noticeable, particularly its inability to scale up to meet higher demands effectively.

The situation deteriorated as order volumes continued to surge, exacerbated by the absence of a robust operational structure and the lack of a Warehouse Management System (WMS). These inefficiencies led to shipping delays of up to 14 days per order. Struggling to maintain its previous level of accuracy and efficiency without the support of a WMS, the company faced substantial operational challenges. Relying on highly manual and fragmented processes meant that processing 150 e-commerce orders necessitated the efforts of 25-30 pickers over an 8-hour period, resulting in significant inefficiencies in both time and resources. This predicament, compounded by an ongoing backlog issue, underscored the critical necessity for transitioning to a more advanced Warehouse Management System (WMS). This strategic move aims to streamline operations, enhance productivity, and efficiently handle the escalating order volumes, ensuring continued customer satisfaction and contributing to overall business growth.

## The Solution

The company recognized the urgent need for a scalable and efficient solution to tackle its operational challenges and backlog. In response, it implemented a Warehouse Management System (WMS). This strategic decision was geared towards improving inventory management, optimizing storage space, and streamlining the order fulfillment process. The introduction of a WMS enabled the company to handle increasing order volumes more efficiently, shorten order processing times, and ensure accurate and timely customer order processing. This change resolved the backlog problem and significantly boosted operational efficiency, contributing to the company's ongoing growth.

PeakLogix's ScottTech PickPro® was chosen as the preferred Warehouse Management System. This platform is user-friendly and highly customizable, allowing it to be tailored to meet a wide range of customer needs. Additionally, ScottTech PickPro® provides comprehensive features that address the many essential operations involved in running a warehouse. This WMS stands out for its adaptability, effectively tackling current operational issues and scaling in line with business growth.

First and foremost, the key feature of ScottTech PickPro® that makes it particularly attractive is its capability to enhance inventory accuracy. It offers real-time visibility into inventory levels and accurate tracking, minimizing stock count discrepancies and errors. This inventory accuracy capability reduces the risk of having too much or too little stock and ensures that the right products are always available to meet customer demands. Such efficiency not only streamlines operations but also significantly improves customer satisfaction.

ScottTech PickPro® offers the significant benefit of enhancing labor efficiency in warehouse operations. Automating routine tasks and providing actionable insights allow employees to focus on more critical activities, such as order picking, rather than administrative duties. This optimization leads to smoother operations, lower labor costs, and increased productivity, as workers are freed up to contribute more significantly to the business.

Space utilization is crucial, especially for companies with limited storage. ScottTech PickPro® excels in this area by optimizing storage layouts, ensuring the most efficient use of available space. This feature helps businesses avoid costly expansion or additional rental costs, thereby minimizing storage-related expenses.

The system's capability to reduce order errors is another key advantage. ScottTech PickPro® ensures accurate order fulfillment by providing precise instructions and real-time verification during picking and packing. This reduces the likelihood of shipping incorrect or incomplete orders, maintaining customer trust and minimizing the costs associated with returns and replacements.

Additionally, ScottTech PickPro® aids in lowering carrying costs by enhancing inventory turnover rates and reducing storage durations. Efficient inventory management leads to decreased expenses related to excess inventory, such as storage fees, insurance, risks of obsolescence, and depreciation.

The scalability of ScottTech PickPro® is a standout feature. It can adjust to increasing demands and growing inventory volumes without significant additional labor or infrastructure investment. This adaptability makes it an ideal solution for businesses planning to expand their operations, offering a sustainable path to growth and efficiency.

Addressing product leakage is a vital concern for businesses, and ScottTech PickPro® effectively tackles this issue. It enhances security, keeps detailed transaction records, and provides audit trails for tracking inventory movements, thus preventing losses from theft or mismanagement.

ScottTech PickPro® is also adept at handling returns, a crucial aspect of modern retail. It streamlines the returns process, evaluates the condition of returned items, and determines their restocking viability, reducing financial losses from returns.

Lastly, ScottTech PickPro® is instrumental in data-driven decision-making. It offers valuable analytics and insights on warehouse operations, aiding companies in making informed decisions about inventory management, staffing, and process improvements. This leads to cost reductions and enhanced operational efficiency.

In summary, ScottTech PickPro® is a comprehensive solution that significantly benefits companies. It improves inventory accuracy, increases labor efficiency, maximizes space utilization, minimizes order errors, and reduces carrying costs. Additionally, it enhances scalability, mitigates product leakage, streamlines return processing, and supports informed decision-making. These features collectively contribute to operational excellence, cost savings, and heightened customer satisfaction, positioning ScottTech PickPro® as a top choice for companies aiming to optimize their warehouse operations.



## Results in Detail

Following the implementation of ScottTech PickPro®, PeakLogix demonstrated to the client how to maximize their facility's throughput. They did this by smartly reorganizing the warehouse items, considering the speed of movement and specific picking rules. Thanks to the insights provided by ScottTech PickPro®, they created a more efficient layout, which led to noticeable improvements in performance.

Lead time decreased 79% from 10-14 days to just 2-3 days - a significant improvement in order fulfillment speed. ScottTech PickPro® automated processes also drove dramatic productivity gains. Where 150 orders previously required 8 hours for 25-30 pickers to manually fulfill, now just 2 pickers, 1 operator, and 6 packers handle 1,600 orders daily.

ScottTech PickPro® delved into the client's data and conducted a comprehensive analysis. Leveraging their historical data, ScottTech PickPro® provided insightful recommendations on inventory reslotting. Through meticulous inventory reslotting based on the data collected, ScottTech PickPro® facilitated a remarkable productivity increase of over 1,566%.

ScottTech PickPro®'s ability to harness valuable data insights and employ data mining techniques assists clients in achieving their goals and enhancing operational efficiencies.

PeakLogix's integration of ScottTech PickPro® revolutionized their warehouse operations, enabling a confident expansion into new products and brands. By delivering impactful and transformative results, the WMS demonstrates its ability to scale with the company's growth.

Since its initial integration in the facility, ScottTech PickPro® has been effectively scaled to align with the growing business needs of the distribution center, ensuring the optimization of warehouse processes as volumes increased.

Throughout this period of growth, PeakLogix has remained an essential partner for the retail company. They have helped meet the current distribution demands and crafted solutions that equip the company for future opportunities and expansions.

## Ready for a transformation?

Get in touch with PeakLogix today to learn how ScottTech PickPro® can help you scale your operations.

