



Supply Chain Solutions for Furniture Retail



Optimizing Service and Efficiency

Like many furniture retailers, El Dorado Furniture of Miami, Florida relies on their supply chain to keep inventory moving and customers happy in a competitive and sometimes fickle market. RedPrairie solutions have helped El Dorado and other furniture retailers improve customer service and efficiency, and manage the operational issues unique to the furniture industry. Standard interfaces to ERP systems widely used in this sector ensure these benefits are achieved quickly, without expensive systems integration work.

Best Service at Least Cost > Choosing furniture for the home is a very personal experience, often involving considerable investment in time and household budget. It is understandable customers demand the highest level of quality and service. They expect wide selection, products that can be treated or customized on demand, fast, accurate delivery, and the ability to refuse or return goods easily.

The challenge facing retailers is providing this level of service cost effectively, while managing behind the scenes operational issues like rapidly changing product lines, easily damaged inventory, and high labor and other overhead costs.

Against this backdrop, supply chain operations and technology can help drive efficiencies in inventory warehousing and distribution, as well as creating competitive advantage through improved, more flexible customer service.

RedPrairie solutions for furniture retail are in use at dozens of sites across the U.S. and Europe. Warehouse Management/HF, RedPrairie's warehouse management system specifically designed for the furniture industry, enables customers to track inventory, monitor returns and improve productivity.

And because it comes with pre-built interfaces to the GERS software widely using in this industry, as well as to other leading ERPS systems, the typical integration headaches go away.

Other RedPrairie applications for furniture enable retailers to manage yard operations, control and recoup the cost of special services such as applying custom finishes, manage delivery fleets, and give customers real-time order and delivery status information online.

"I could go on for days about RedPrairie and Warehouse Management/HF. It manages our entire warehouse operations, and the results generated regarding productivity and customer service have been nothing short of spectacular. Not to mention the level of service provided by RedPrairie. They have treated our company as if it were their own."

*El Dorado Furniture
Florida*

Optimizing Service and Efficiency

Real Benefits Achieved by RedPrairie Retail Furniture Customers:

- 22% labor savings while increasing DC throughput
- 30% rise in productivity by interleaving picking and putaway tasks
- Postponed investment in DC expansion through more efficient use of existing facility
- Cut returns processing to one hour from 3-7 days, making inventory immediately available for resale



The Challenges

Furniture Retailers face many challenges unique to this industry. RedPrairie combines proven furniture industry technology and experience with a deep knowledge of supply chain best practices to help furniture retailers turn these challenges into competitive advantage.

Rising Costs > Higher volume means higher costs. Without improving business processes, retailers will see labor and other costs rise proportionate to revenues. The efficiencies that should come with a growing business do not materialize.

Managing Complexity > Growth means added complexity. Without improving processes and leveraging technology, management time and attention gets focused more on managing larger workforces and more complex operations instead of on continuing to grow the business. Thus, without change, growth can be self-defeating rather than a stepping stone to even greater success.

Handling Returns > In retail, returns are inevitable. In furniture retail, returns are especially difficult to manage. But when order preparation and delivery are inaccurate or hard to control, the volume of returns can be unnecessarily high. Unfortunately, returns are often treated as exceptions in a busy warehouse, set aside to deal with later rather than handled as a normal part of doing business. Thus, expensive inventory is left unavailable for resale.

Poor Inventory Visibility and Accuracy > Whether due to inadequate systems, high labor turnover, or product complexity, most furniture retailers suffer from unacceptably low inventory



The Challenges

accuracy. Operators waste time looking for items stored in the wrong places or missing from inventory altogether. Customers are sold items not in stock due to sales' lack of visibility into the warehouse. At least once each year revenue generating activities stop while operations are shut down for physical inventory counts.

Poor Use of Space and Equipment >

Businesses that lack complete, real-time visibility to inventory compensate for uncertainty by inflating safety stock. Retailers who cannot restock based on rapid analysis of sales patterns are unable to store fast-moving items in the most accessible areas. Those who cannot pick orders and load trucks according to optimized delivery schedules slow deliveries while wasting equipment and fuel.

Inefficient Processes > In the furniture industry, basic tasks such as picking orders, assembling sets, and cross-docking shipments can be complicated. The cost to the bottom line from inefficiencies and errors in these processes, as well as from reduced customer satisfaction, can be significant.

Given all of these challenges, it's not surprising customer service can take a back seat to the day-to-day operational realities of running a furniture distribution center. At the least, there is often tension between being 100% customer focused and getting the job done efficiently and cost-effectively. Fortunately, best-in-class solutions are available to address these operational challenges while creating opportunities for improvements in customer service.

"Our current provider was not able to offer the warehouse functionality that we needed to run our business. With the expected increase in volume of our inventory, a best-of-breed WMS, such as the one provided by RedPrairie, was necessary to take us to the next level."

*Steinhafels
Waukesha, Wisconsin*

The Solution

Even the best retailers will struggle if they are working with inefficient process dictated by inadequate supply chain systems. But those who invest in today's highly functional solutions, taking advantage of the freedom they provide to adopt new, more flexible and efficient work processes, will out perform their competition on cost and customer satisfaction.

Labor Efficiency > RedPrairie solutions for furniture retail enable full utilization of distribution center labor.

System-directed operations ensure each task is assigned to the most appropriate worker for completion based on proximity to the inventory, the priority of the task, the qualifications / certifications of the worker and the equipment they are using. As tasks are allocated, urgent orders are assigned as top priority as soon as they are received. As one task is completed, the worker is immediately assigned the next most appropriate task. Cycle counting, replenishment or other less critical tasks can be assigned and interleaved when urgent tasks are completed.

With task interleaving, operators are assigned a logical sequence of work across multiple functions such as picking, replenishment and putaway of inbound goods. This eliminates wasted journeys, improves equipment utilization, and makes incoming inventory available faster.

Using cross-docking, inbound inventory can automatically be allocated and sent to join an outbound delivery, even if a similar item is in stock. This reduces handling and the risk of damage.

Improved Management Control >

Key performance indicators and advanced reporting capabilities provide a real-time view of all aspects of distribution operations. If delivery deadlines are not going to be met, automatic proactive notification allows extra resources to be diverted to where they are most needed to get back on schedule. Labor performance is measured in detail, giving management clear visibility to labor productivity levels.

Reduced Returns > When a distribution center operates more effectively and efficiently, customers receive the right merchandise faster, and are less likely to return them. Greater accuracy in picking, services and shipping makes certain the items arrive as ordered. Advanced inventory control features ensure a customer who has returned an item for exchange is guaranteed never to be shipped the same piece of inventory again. This is essential when the item has been returned for a quality reason other than damage, for example color match or a similar physical appearance concern.

Smoother Returns Handling > By treating product returns as normal DC tasks rather than exceptions, RedPrairie's solution receives them into inventory as soon as all quality checks, refinishing, repacking or other user-defined returns processing functions are completed. This makes returned inventory available sooner while ensuring quality standards are met.

Better Customer Service > After implementing RedPrairie's Supply Chain Solutions for Furniture Retail, customers see immediate improvement in service levels. Customer pick-up waits are shorter, home deliveries are faster (including support for same-day delivery), order accuracy is improved, and incidents of damage are fewer. Perhaps more importantly, this improved service is accomplished while also increasing distribution efficiency.

RedPrairie

RedPrairie's E²e™ retail, workforce, inventory and transportation solutions span and optimize your enterprise needs to help you compete in today's fast-paced, complex, consumer driven environment. E²e solutions drive revenue and provide "Consumer driven optimizationSM" by synchronizing people and products throughout the customer buying cycle to ensure goods reach the right place at the right time.

Every day our solutions help customers optimize and ship over \$3 billion worth of merchandise. Hundreds of thousands of supply chain professionals in 40 countries and in 26 different languages use RedPrairie solutions to optimize every move in their supply chains, end-to-end, driving down costs, streamlining operations, and improving their customer service. Give us the opportunity to show what RedPrairie can do for your supply chain.



"The best thing about the RedPrairie system is our ability to track inventory. The GERS and RedPrairie systems work together to improve our inventory accuracy. We have accuracy of 99.98%, something we were never able to do before installing RedPrairie."

*Slumberland Furniture
Minnesota*

For more information

1.877.733.7724

info@RedPrairie.com

RedPrairie.com

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