



# PROMAT<sup>®</sup>

2015

McCormick Place South | Chicago  
March 23-26, 2015  
[promatshow.com](http://promatshow.com)

**One Inventory, One  
Engine, One Labor  
Force - True  
Omnichannel  
fulfillment centers  
have arrived**

Sponsored by:



Presented by:

Art Eldred, Vargo Companies

Dan Perry, Vargo Companies

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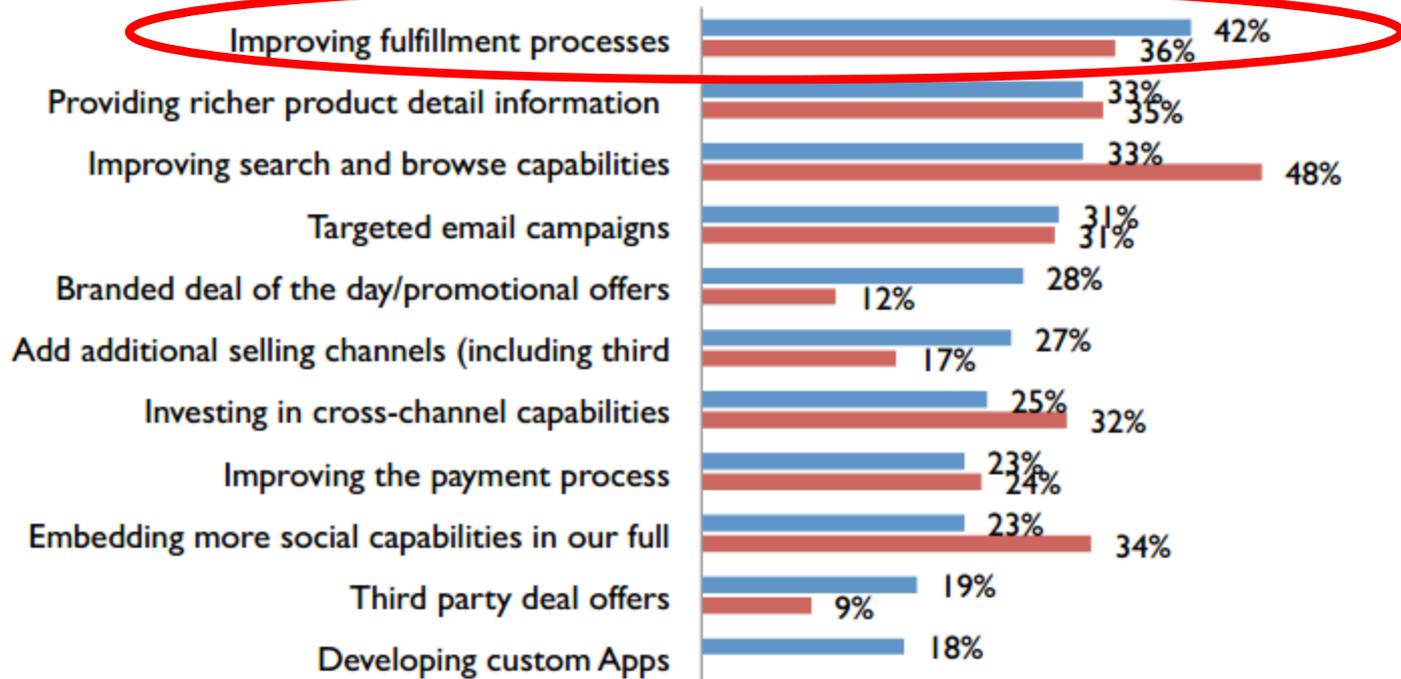
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## Top Three Opportunities to Overcome Business Challenges

■ 2014 ■ 2013



Source: RSR Research, December 2014

# FIND WHAT'S NEXT.



## Fulfillment: Retail ≠ eCommerce

	Retail	eCommerce
Desired Order Cycle Time	Daily	Hourly
Order Planning Window	Daily	Minutes
Errors	Correctable	Costly
SKUs/Order	1000's	1-10's
Items/Order	10,000's	1's
Cases/Order	1000's	0's
Daily Destinations	1-100's	10,000's+
Peak "Peak" Period	3-5 Weeks	3-5 Days
Daily Orders	100's	10,000's
Value Added Services	Ticketing? Security Tagging?	Gift Wrap Gift w/purchase Packing Marketing Collateral Pack Slips

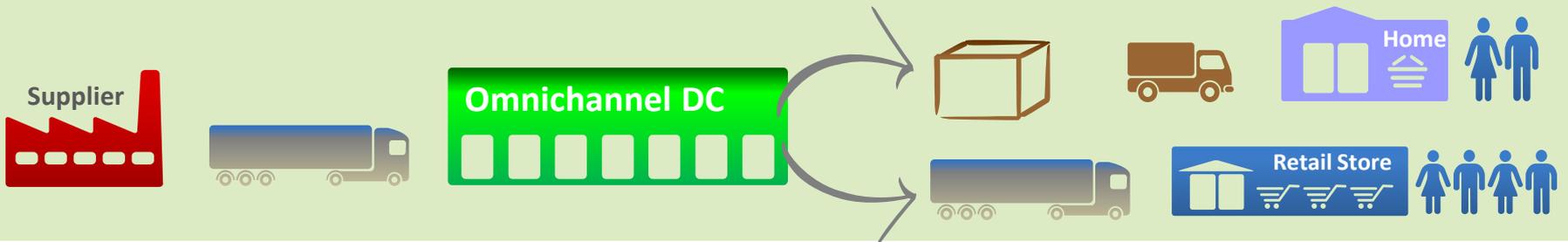
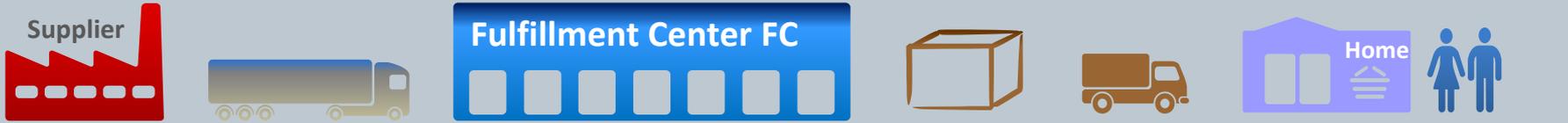
## What does Omni-channel really mean to the fulfillment center?

Definitions vary, but for purposes of this seminar, we'll use the term to refer to a retailers' efforts to integrate their store and e-commerce selling channels to work seamlessly together inside the fours walls of a single distribution center.

- ✓ **One Inventory**
- ✓ **One Fulfillment Engine**
- ✓ **Multiple Order & Product Flows**

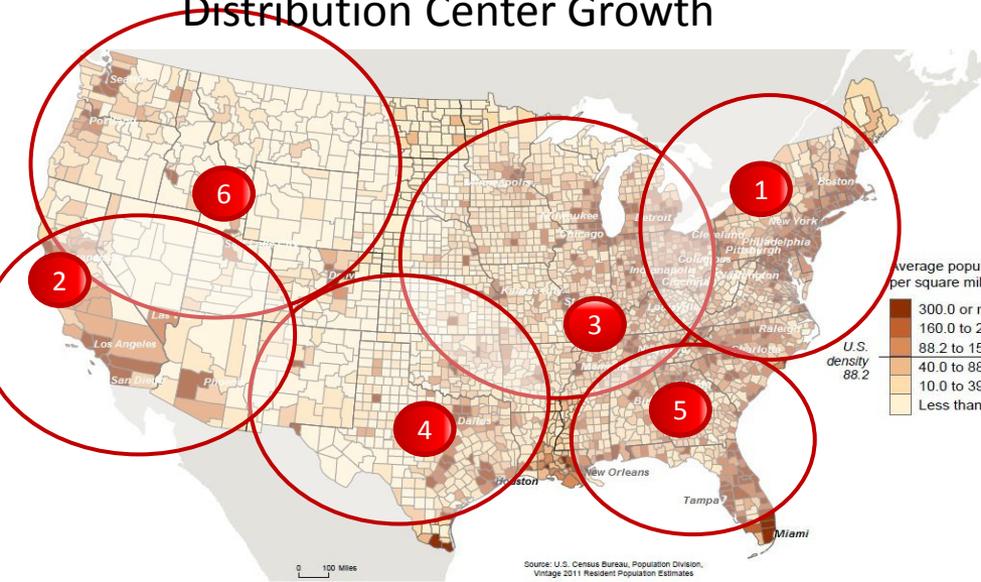
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## Evolution of the fulfillment center



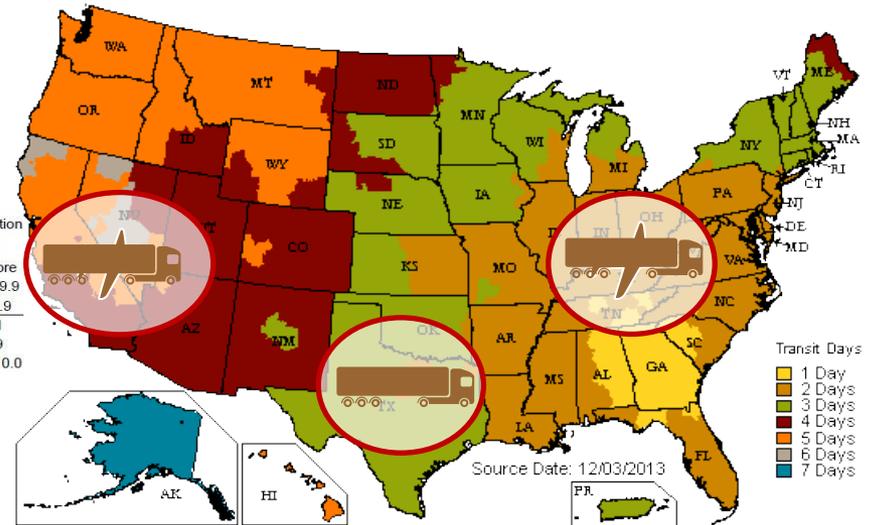
## Distribution Growth & Fulfillment Service Needs

Distribution Center Growth



Source: U.S. Census Bureau

Fulfillment Center Service Needs

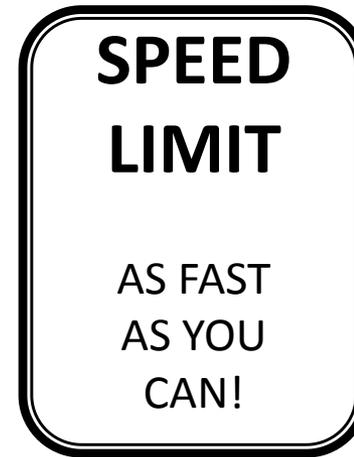


Source: UPS

Has resulted in duplication of inventory & infrastructure

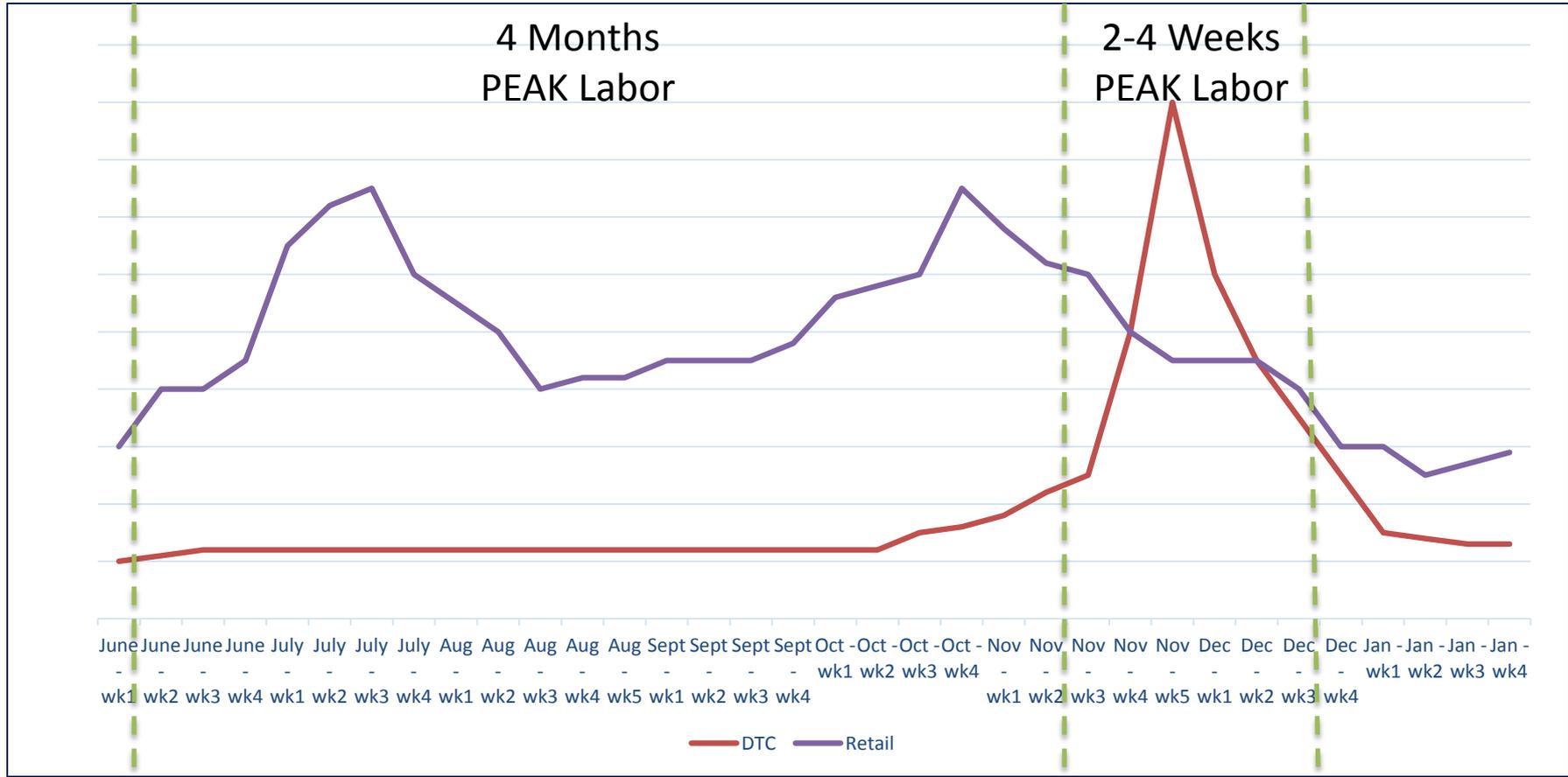
## What are the benefits of one Omnichannel FC?

- Speed to Market
- Labor
- Profit
- Infrastructure
  - Inventory
  - Systems
  - Facilities
  - Administration





## Retail & DTC PEAKS





## Challenges

- One Inventory
- Information Systems
- Product Configurations
- Current Infrastructure



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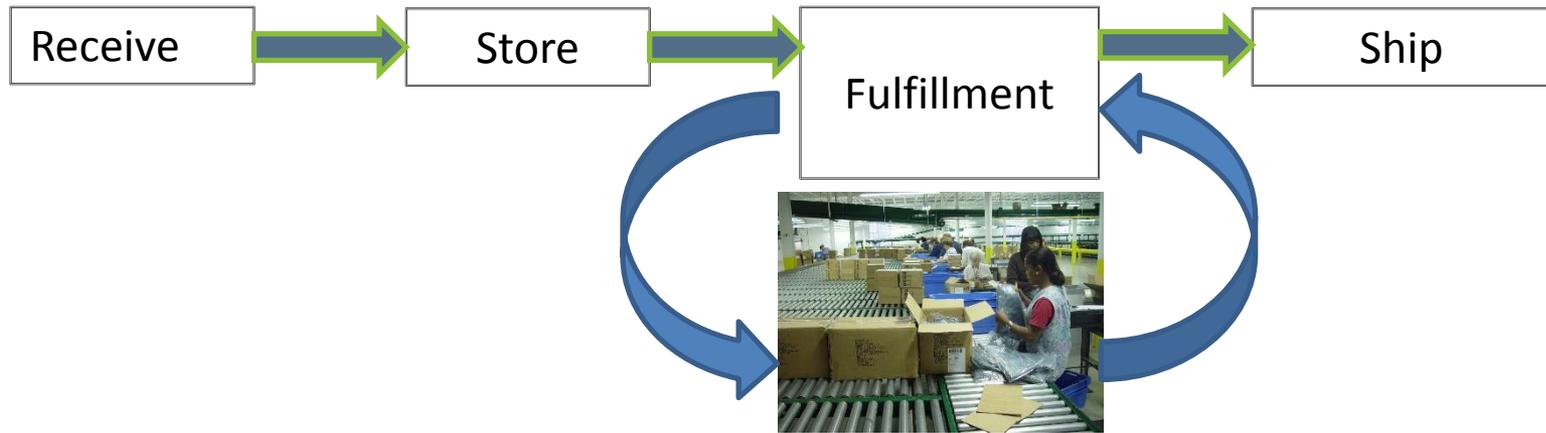


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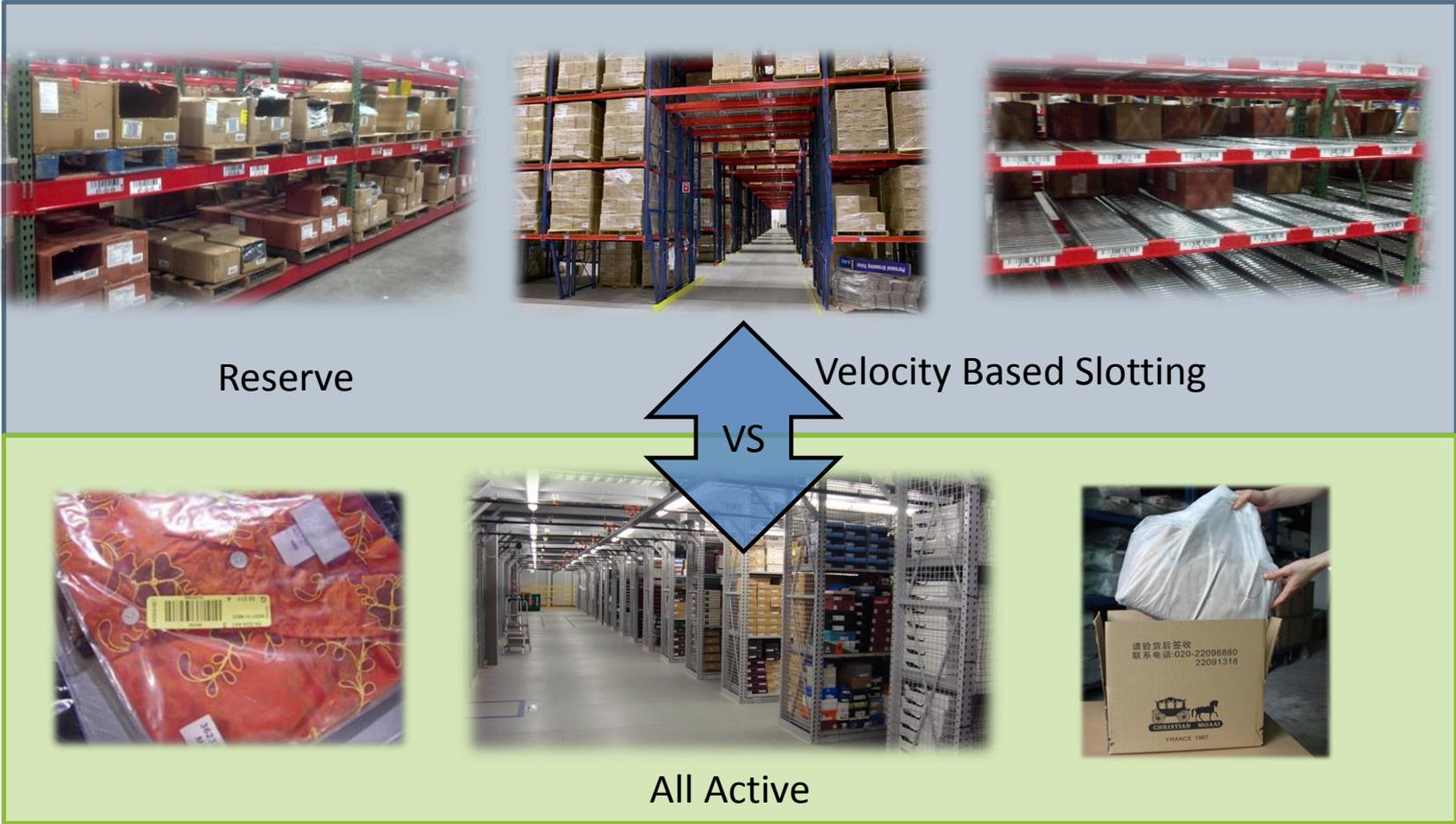
# Inventory Challenges



VAS Processing

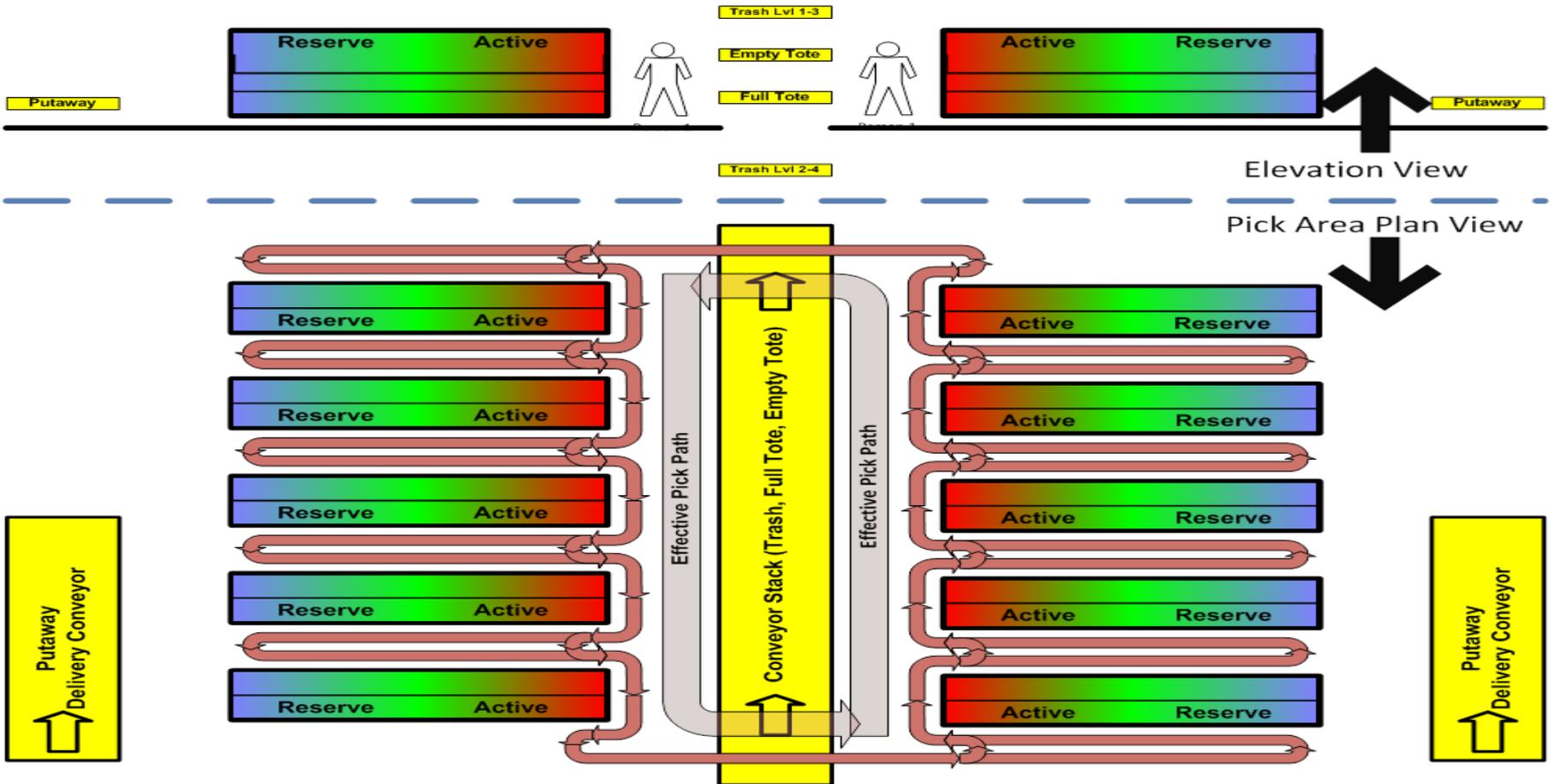
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# Storage Challenges



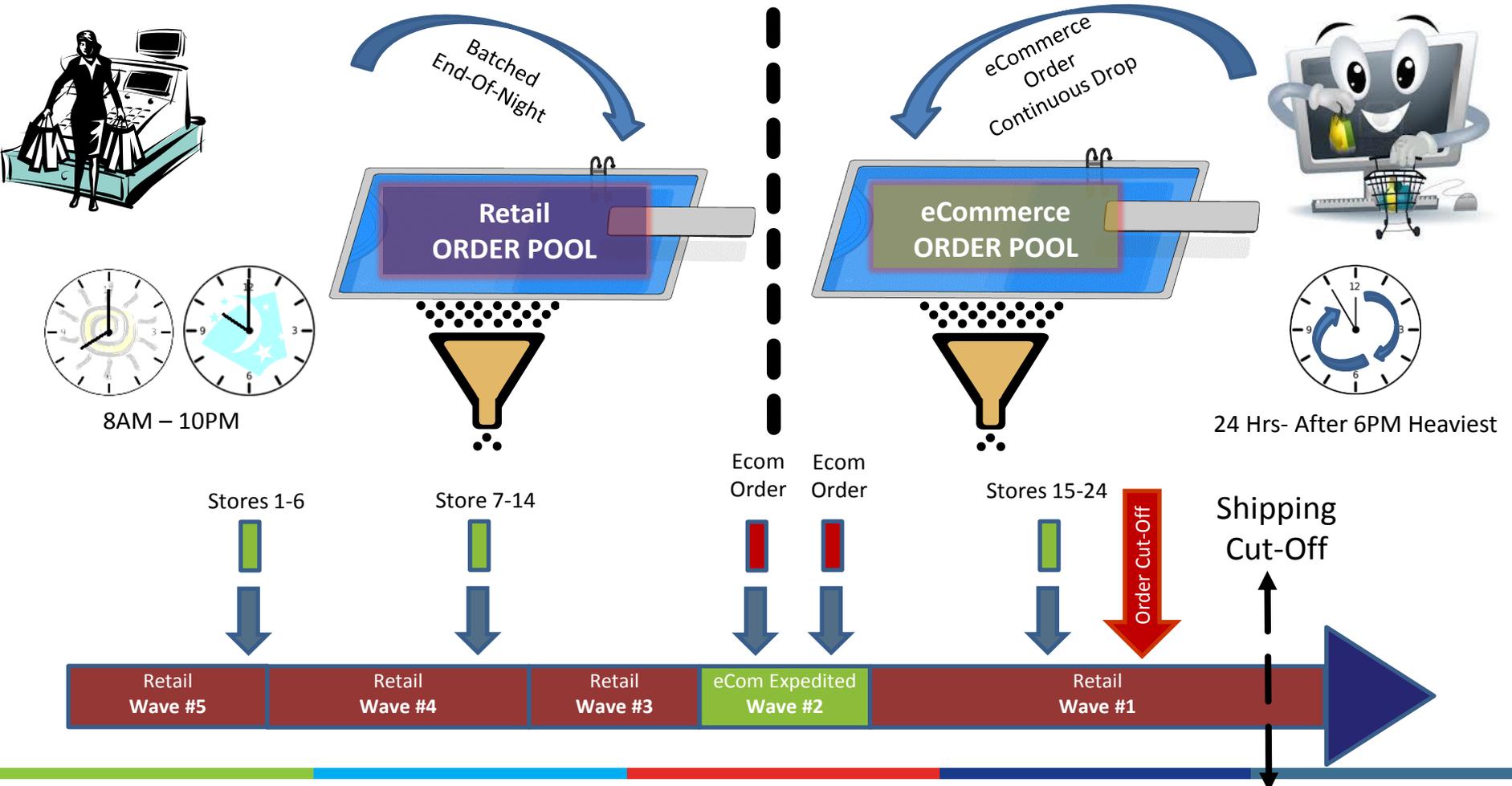
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## Omnichannel: Ready-Active Storage



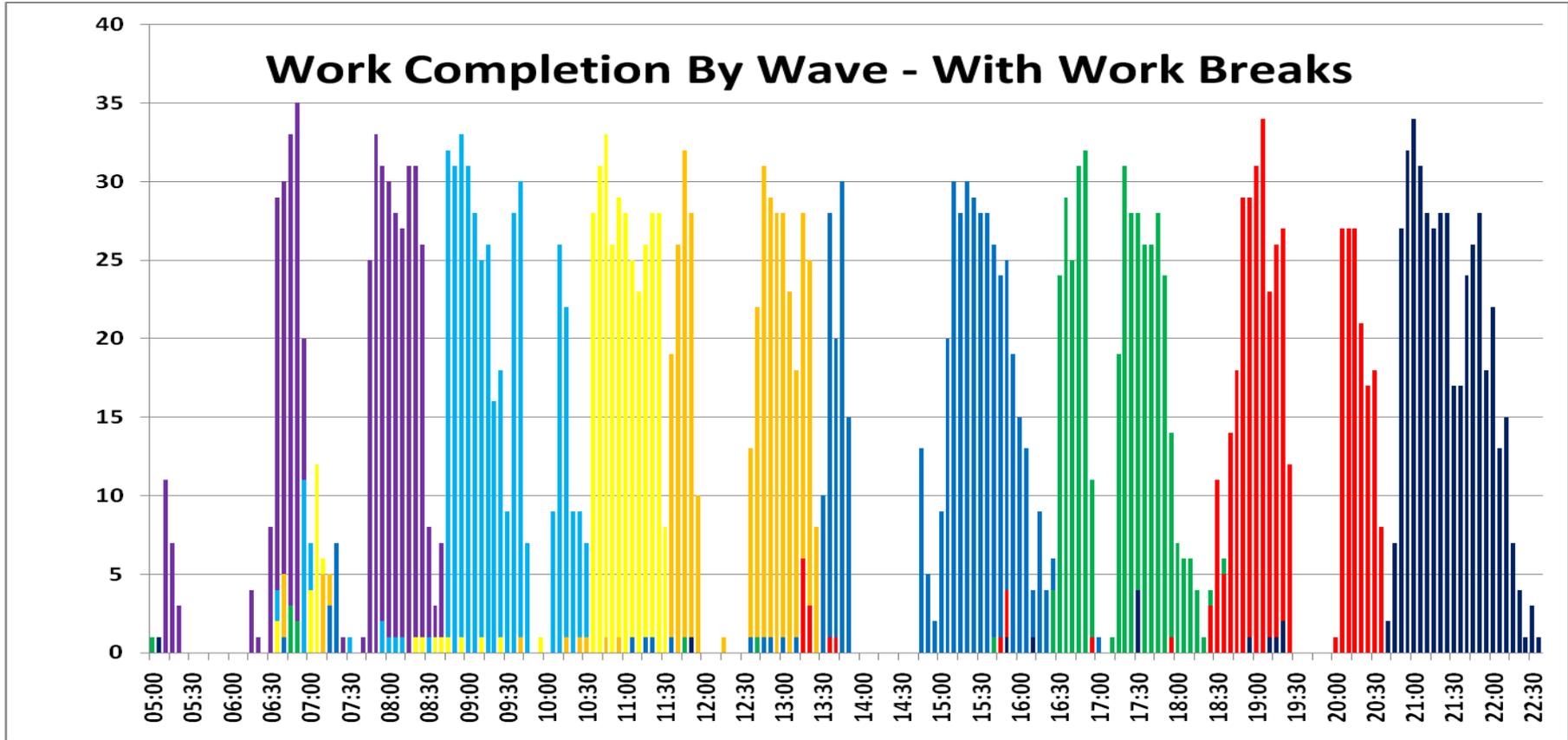
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## Pre-Omni Order Processing



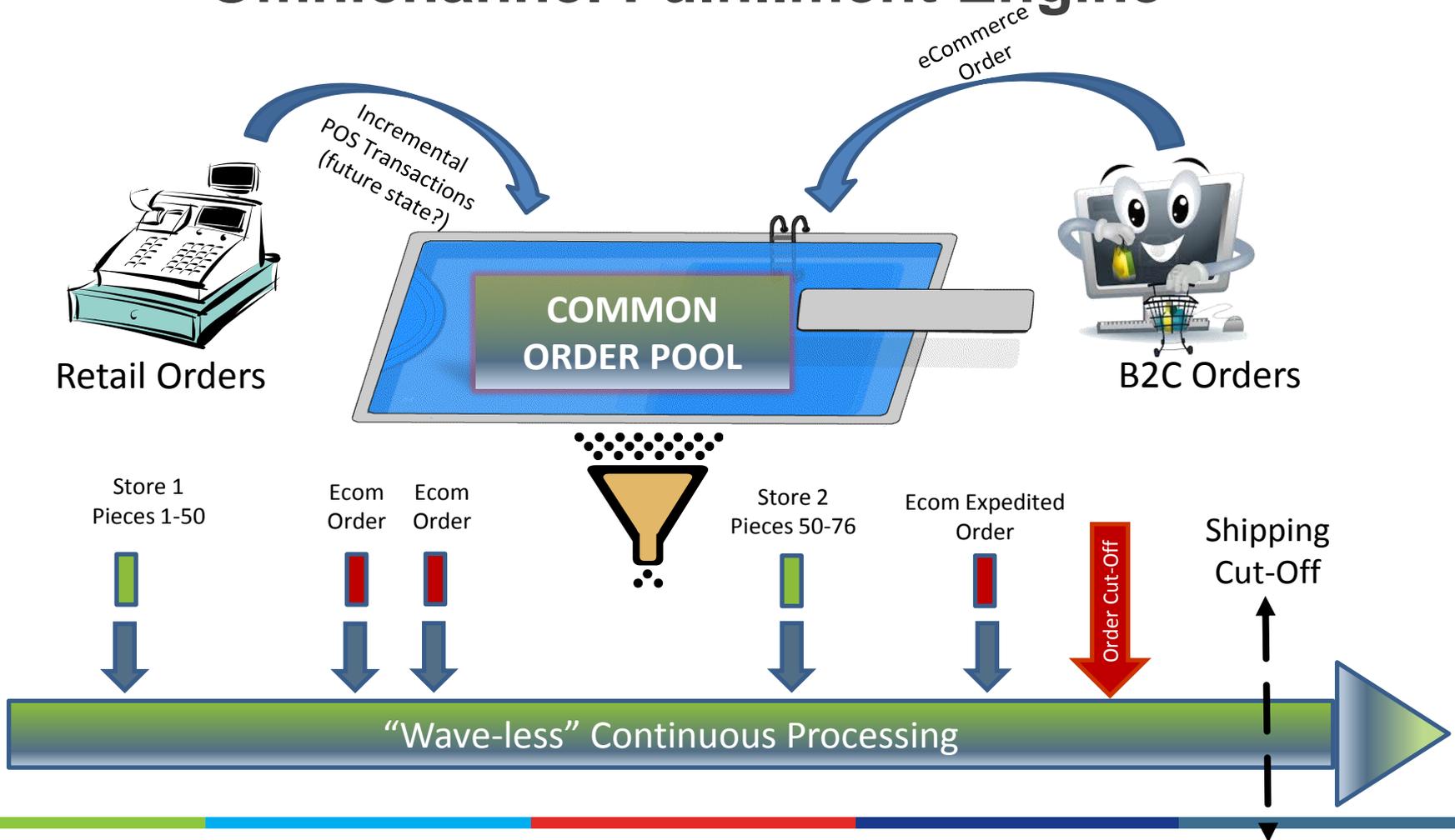


## The Pitfall of Waving



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# Omnichannel Fulfillment Engine



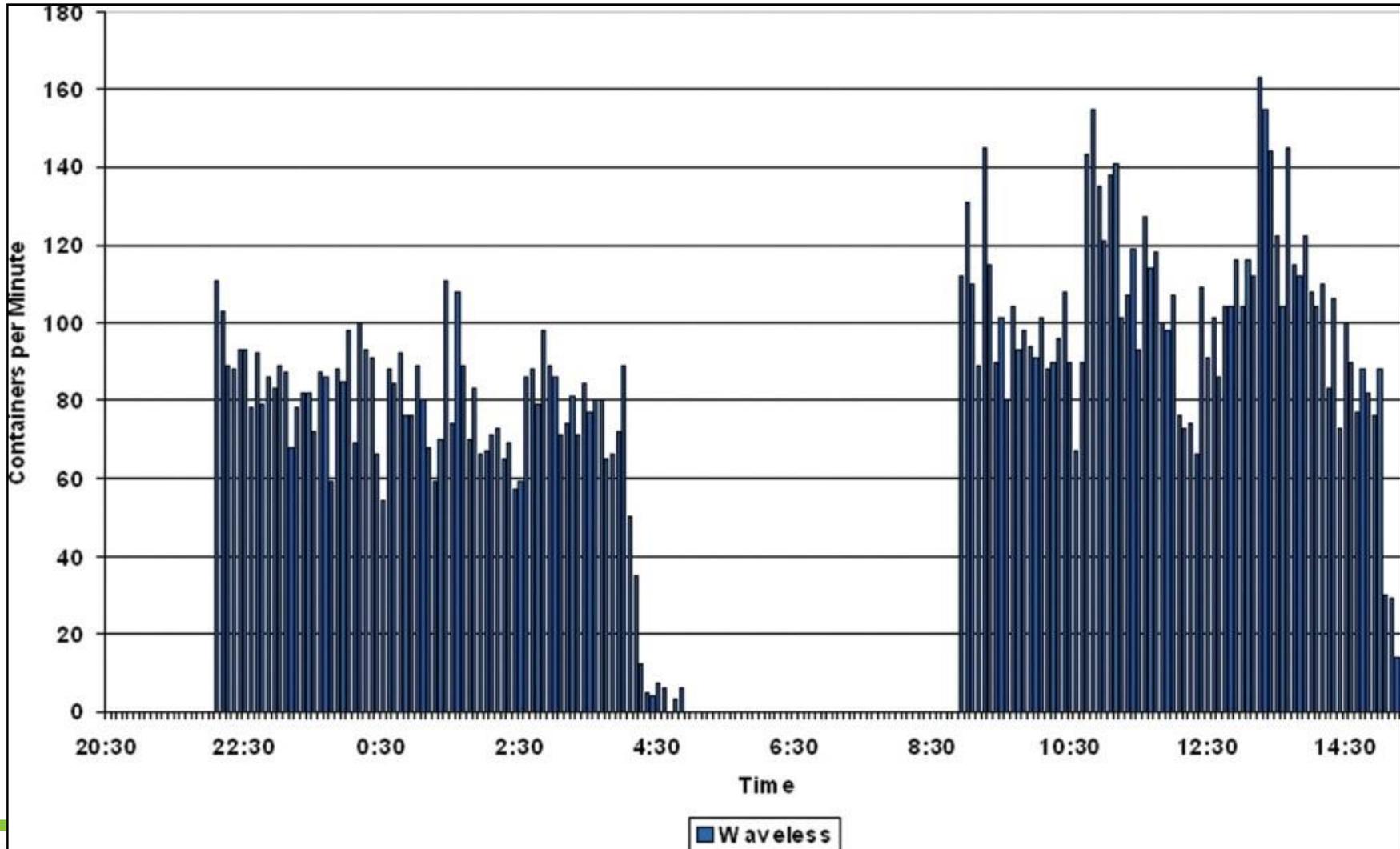
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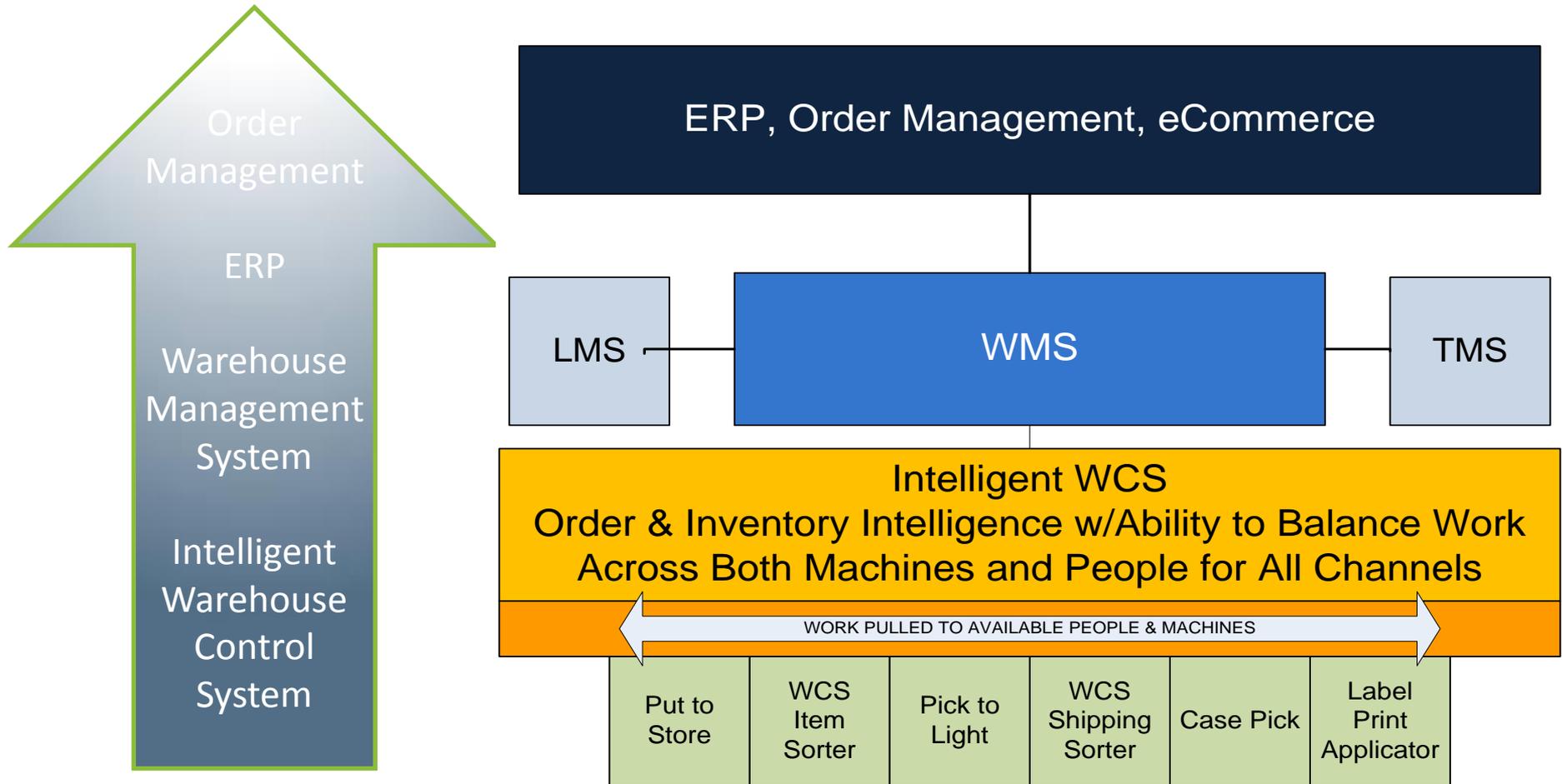
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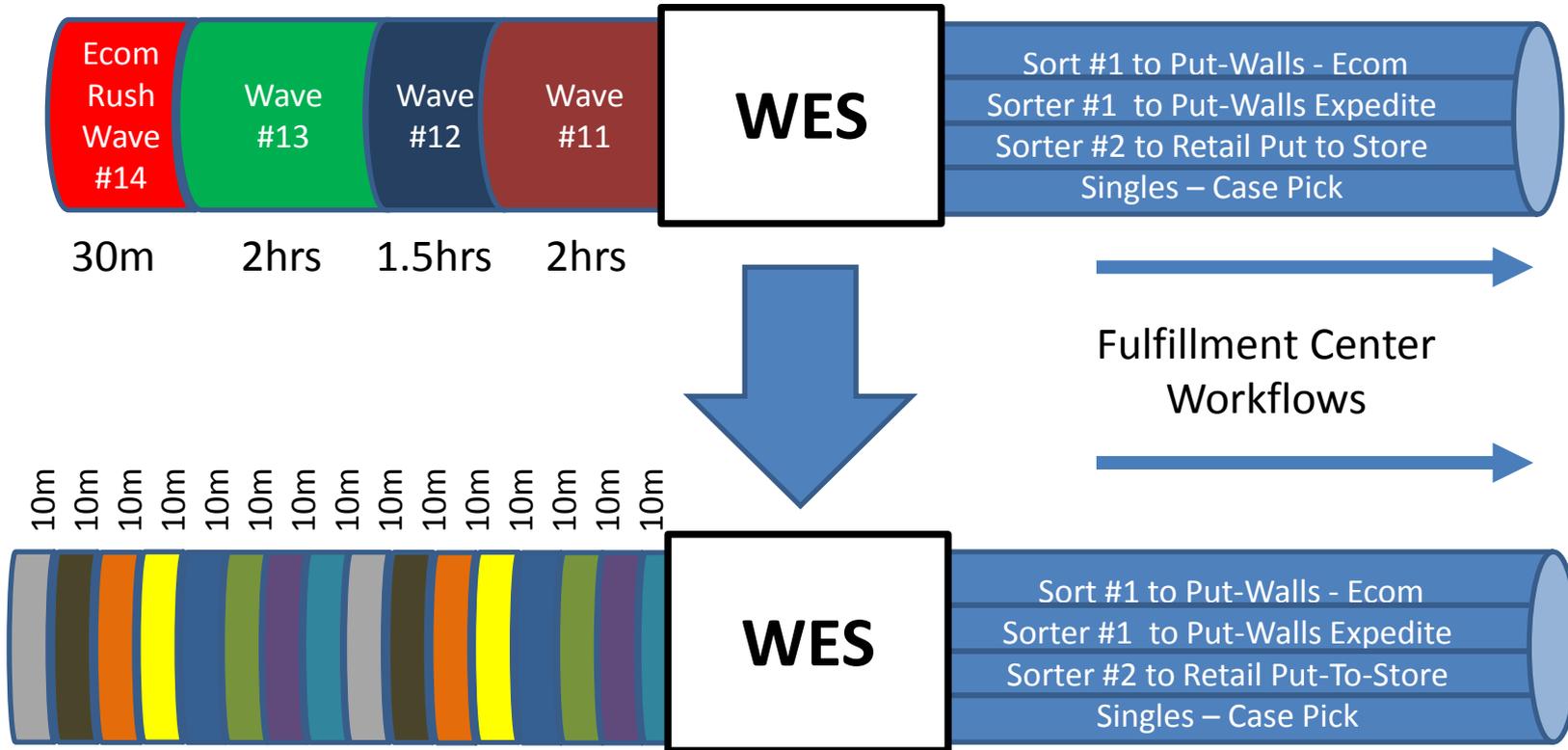
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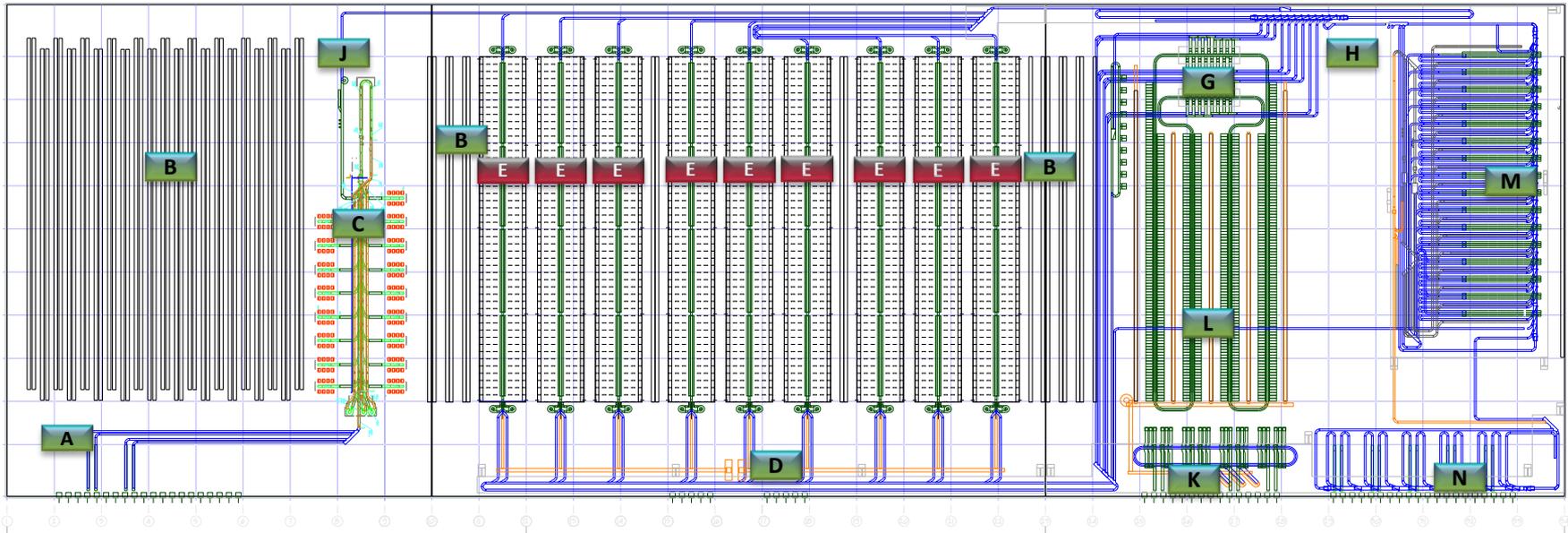


## Autowaving Via the WES



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## New Omni-channel Case Study



**A** Receiving

**B** Reserve

**C** Pallet Build

**D** Empty Tote Return

**E** DTC Prepped Ready Inventory

**E** Retail Ready Inventory

**G** Unit Sorter Induction

**H** Pre-Sorter

**J** Cross-Dock

**K** Parcel Shipping

**L** DTC Packing Sorter

**M** Put-To-Store

**N** Case Shipping (TL/LTL)



- Reduce Capital

- Buildings
- Automation
- Infrastructures

- Reduce OPEX

- Inventory
- Labor
- Facilities

- Flexibility

- Dynamically react to product flow in the shortest period of time

- Higher Margins

- Inventory can Match the Demand

## Real Benefits



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## What Can WES do for you?

[http://www.mmh.com/article/what\\_can\\_wes\\_do\\_for\\_you](http://www.mmh.com/article/what_can_wes_do_for_you)

## WCS Drives Higher Profitability through Synchronized Pick, Pack & Ship Omni-Channel Fulfillment

[http://www.supplychain247.com/article/wcs\\_drives\\_higher\\_profitability\\_through\\_synchronized\\_pick\\_pack](http://www.supplychain247.com/article/wcs_drives_higher_profitability_through_synchronized_pick_pack)

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## ***For More Information:***

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