

# SHOWCASE



Warehouse Management System

## Cooking up a Competitive Supply Chain

A focus on the supply chain's "last mile" what the recipe for success that Stonewall Kitchen needed

### Challenges

- A growing business managed according to 20th century standards
- Disconnected, undersized warehouse locations
- Manual inventory checking processes

### Goals

- Overhaul the supply chain to address issues related to a 21st century consumer goods manufacturer
- Become leaner and more responsive
- Diversify product lines to suit consumers' demands
- Focus on the "last mile" of the supply chain

### Solution

- Integrated Warehousing Solutions' IRMS

### Results

- Ninety-seven percent zero variance of SKUs counted in cycle counts and 99.9 percent accuracy at the unit level
- Better visibility into inventory
- "Extra" inventory in the supply chain has been eliminated, freeing up room to store more products
- Shipments are up 35 percent, hitting more than 8,000 shipments per day during peak season

In 2004, Stonewall Kitchen was at a critical point: its brand was growing and business was booming even while operations were still managed according to 20th century standards. The company had two, 20,000-square foot buildings that, in addition to being 10 miles apart, were bursting at the seams, especially during peak seasons. Additionally, the team used a manual process for checking inventory in the warehouse four times a year and finding 5-10 percent variance every time.

Stonewall Kitchen's management team realized that staying competitive required an overhaul to design, implement and maintain a supply chain that could address the 21st-century issues of being a consumer goods manufacturer: leaner and more responsive with highly diversified product lines to suit consumers constant craving for something new and different.

To become a demand-driven enterprise, a critical area of focus was the "last mile of the supply chain." When the company closed on an 110,000 sq. ft. facility to house its warehouse, Stonewall's operations organization began the search for the best-of-breed warehouse management solution to make the most of its new home.

### A Perfect Fit

After a rigorous evaluation of six providers, the team realized that the one company that could meet all of the needs was Integrated Warehousing Solutions' IRMS. The solution met several critical criteria, including a partner that could:

- Meet a very aggressive timeline, with an 8-month window for implementation, testing and production
- Guarantee that testing could take place during a slower sales cycle, so there was no chance of missing sales milestones
- Demonstrate understanding of the challenges unique to a multi-channel enterprise and meeting Stonewall's high standards for excellence

The solution also needed to be able to scale on two levels. Most immediately, the team needed a system that could jump on a day's notice to manage 400-8,000 shipments. There also needed to be an automated way to analyze and provide recommendations for better utilization of every system variable from resources and employees to warehouse shelf placement. Since appetites are always in flux, Stonewall required a system that could accommodate change as quickly as fickle customer demand.

During implementation, Stonewall Kitchen worked closely with the IWS team to pre-identify top priorities for the solution. As a highly customizable off-the-shelf solution, IRMS is programmed to account for each company's unique needs and processes. Every process from how much inventory buffer was needed, to the most efficient way to pick, pack and ship products was reevaluated to ensure that the system was defining best practices from the get-go. Several minor modifications had to be made to IRMS work precisely as the Stonewall team wanted.

### The Solution in Action

IWS' IRMS solution provides Stonewall with real-time visibility of inventory, orders in the queue, activity analysis and intuitively recommend where product should be placed for easy accessibility. For example, the solution provides deep insight on each activity and will highlight the best place for the company to focus resources within the warehouse such as how many employees to allocate to picking, packing or shipping for a given day to meet demand.

Most importantly, having an accurate read on what's in stock boosts customer satisfaction across all of the channels. Planners can now take action to boost inventory before it affects the customer – whether end-user or reseller while maintaining a lean enterprise. Better inventory management supports continually innovate in all aspects of the business – from creating new products to managing the last mile of the supply chain.

One of the biggest challenges for consumer product goods (CPG) manufacturers is SKU proliferation, driven by Stonewall's multi-channel profile. A core product has to be tracked in many different ways, for example, a jar of blueberry jam may be sold as a single unit; it might be packaged in a holiday gift basket; it might be sold at one of



our stores, from the shelves of a retail partner, on-line or from our catalog. From seasonal labels to different product introductions, we needed a solution that could easily and efficiently track "duplicate" items.

Another need any CPG company has is meeting service level agreements (SLAs). Not only are there immense demands for excellence from the end user, but retail partners, including L.L. Bean and Williams-Sonoma are upping service needs.

In order to meet all needs, the IWS team was onsite for months in advance and stayed on site to ensure that every kink was worked out so when the system went live, it was useable from day one. Stonewall knew that it didn't want to risk customer loyalty with its customers experiencing any glitches during the transfer.

### The Bottom Line

Moving from a manual to an automated 21st century process has proven to be extremely efficient. Stonewall is currently working at 97 percent zero variance of SKUs counted in cycle counts and 99.9 percent accuracy at the unit level. There is also better visibility into inventory, enabling more sophisticated and better decision-making and planning. Eliminating "extra" inventory in the supply chain has freed up room to store more products. Last year, for example, Stonewall Kitchen and The Barefoot Contessa announced a line of about 40 products based on growing popularity of the "Contessa" television show. Shipments are also up 35 percent, hitting more than 8,000 shipments per day during peak season. 

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