

RF Warehousing

When considering the profitability of your business

Would it be helpful

To be able to improve stock turns and reduce lost sales?

When considering stock turns

Would it be helpful

To ensure that stores were replenished accurately so that lost sales were minimised?

When dealing with warehouse costs

Would it be helpful

To be able to improve accuracy and double the average picking rate for your warehouse staff?

Management 2000 supports the most cost effective and accurate form of warehouse management

Each time the warehouse makes a mistake and fails to replenish a selling item, that item never gets sold again until there is a stocktake. This is irrespective of the method used to replenish items.

For example, if the store sells a Black size 10 sweater and the warehouse replenishes it as a black size 12...

- **The store staff will put the 12 in the rack**
 - The rack will look full
 - There will be no size 10 to sell so size 10 customers will mostly walk out of the store
 - There will be no trigger point (replenishment or MSL) to send an extra size 10 to the store
 - Sales will continue to be lost (even if a customer asks for a 10 as a special order)
 - The problem will only be resolved after a stocktake or if the store staff takes action

- **The cost of this form of error can be calculated as follows**
 - Assume that the warehouse consistently makes 3% errors of this type (this is quite low)
 - Assuming there is only one stocktake per season
 - The lost margin could be as high as $50\% * 3\% * GP$
 - eg if the GP for the season is targeted at \$5 Million the lost margin could be \$75,000
 - It is valid to assume that errors will compensate so the probable cost could be \$40,000

Management 2000 provides trigger reporting to show sizes that are not selling when they should be. This will assist with identifying that a problem potentially exists and store staff can be asked to do a stocktake for the items affected, but it is not a solution.

Management 2000 is the YES option. YES I can do what I want to do. YES I CAN do what I want to do.

Management 2000 offers Radio Frequency based warehouse picking that can achieve two objectives

In the warehouse there will be a wide range of picking skills and speeds. This can range from 400 items per hour to as low as 150, and accuracy can be as variable.

- In one customers site the average rate of picking per hour (over 19 staff)
 - Was an average of 100 units
 - Is now an average of 200 units
 - The (unknown but assumed to be 2% approx) error rate has been eliminated
- In another customer site the number of staff picking catalogue customer orders
 - Has dropped from approx 20 full time equivalents (FTE) during the peak to approx 7
 - Another customer of the same size still has 20 FTE on a paper based system
- In one customers site the number of staff picking store replenishment
 - Has halved from 8 FTE to 4 FTE

By eliminating warehouse errors you will have a lower cost operation and more correct stock instore when it is selling and the customer wants to buy.