

"We have far greater control and visibility of inventory at every stage of the warehousing operation, from receiving, though put-away, to picking, packing and shipping. Our order picking capacity doubled when we introduced Manhattan SCALE."

Rick Jacobs, Warehouse Manager, GraysOnline



Distributions centres: Homebush, Sydney, NSW

Manhattan Solution: Manhattan SCALE™: Supply Chain Architected for Logistics Execution

Challenge:

GraysOnline needed to reorganize and streamline its supply chain to facilitate continued growth and subsequently integrate a newly acquired company's inventory into its existing warehouse operations with minimal downtime and disruption to customers.

Solution:

Manhattan SCALE™: Supply Chain Architected for Logistics Execution

Results:

Greater supply chain control and visibility; 15-20% productivity improvement; minimal downtime during integration of oo.com.au; improved services levels to customers.

Manhattan SCALE Drives Business Growth at GraysOnline and Facilitates Seamless Integration of oo.com.au

GraysOnline is an Australian online retail and auction company, offering a huge range of consumer, industrial and commercial goods direct from manufacturers and distributors. Starting out as a livestock auctioneering company in Goulburn in the 1920s, GraysOnline made the decision to move online in 2000 in order to gain access to a deeper and broader market base.

Today GraysOnline employs more than 560 people throughout Australia and New Zealand incorporating a highly trained customer service team as well as experts across more than 80 product categories ranging from electronic goods and wine, to automotive and mining equipment. In total, the company sells around 230,000 items each month to both consumers and businesses.

Since the company made the decision to migrate online almost fourteen years ago, it has grown consistently year-on-year with annual turnover increasing from \$50 million to over \$400 million.

It was on the back of this period of unprecedented and continued growth that six years ago, GraysOnline decided to re-evaluate its warehouse operations, which involved consolidating its four existing warehouses (totalling 178,000 sq. ft or 16,500 sq. m) into one centralized distribution center (DC) located in Homebush, in Western Sydney (323,000 sq. ft. or 30,000 sq. m). During this time, GraysOnline upgraded its entire warehouse management system to Manhattan SCALE: Supply Chain Architected for Logistics Execution, to streamline operations, drive greater efficiencies and introduce some clearly defined processes.

Following its successful implementation and rollout of Manhattan SCALE, GraysOnline looked to further extend its engagement with Manhattan Associates following its acquisition of Australian online department store oo.com.au in 2013.

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Manhattan SCALE has played a pivotal role in ensuring the seamless integration of oo.com.au. Not only have we streamlined our inventory management and driven greater efficiencies throughout our operations, we have also continued to facilitate growth at an impressive rate. We look forward to further extending our partnership with Manhattan Associates in the coming years.”

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While GraysOnline made the decision for the two brands to remain separate, having reviewed oo.com.au's warehouse operations, it decided to consolidate all inventory into the one warehouse in Homebush. Previously, oo.com.au was served via its own warehouse in Roseberry, however, its legacy in-house warehouse management system had limitations around control of inventory and the ability to adapt to changing needs.

With over 30,000 products and servicing 10,000 customers per week on oo.com.au, GraysOnline needed to ensure the integration of inventory into the Homebush warehouse was seamless and caused limited downtime.

Rick Jacobs, Warehouse Manager at GraysOnline commented, “We made the decision to integrate oo.com.au into

GraysOnline's existing warehouse, primarily to reduce long term operational costs and streamline processes, however we needed to ensure that customers of oo.com.au were not impacted at all by the transition to the new warehouse.”

Manhattan Associates Selected for Proven Flexibility and Integration Strength

Having partnered with Manhattan Associates for six years, GraysOnline relied on the company to ensure the seamless integration of oo.com.au into GraysOnline's existing operations.

Jacobs stated “We have experienced great success since partnering with Manhattan and implementing Manhattan SCALE into the warehouse in 2008, gaining greater control and visibility across our entire supply chain and achieving a 15-20% productivity improvement in our warehousing operations. It was this proven success that made us confident Manhattan SCALE had the flexible nature and integration strength needed to ensure minimal downtime during such a complex task.”

To further support the acquisition of oo.com.au, GraysOnline also made the decision to bring on board a new carrier provider. Given the expanded product portfolio resulting from the acquisition, GraysOnline needed a carrier that could facilitate the company's changing business needs. Manhattan Associates' integration strength with third party vendors as well as its flexibility, was vital to ensure seamless integration with new carrier partner, Toll, to ensure limited disruption to its large customer base.



GraysOnline Successfully Integrates oo.com.au with Minimal Downtime and Gains Increased Visibility and Control of Inventory

Since the integration, GraysOnline has, and continues to enjoy innumerable benefits. GraysOnline was able to successfully integrate all inventory from oo.com.au into the company's existing warehouse seamlessly and with minimal down time.

"The integration of oo.com.au's inventory into the existing warehouse took less than one month, which is unprecedented, particularly given the scale of inventory and product SKUs that was being integrated. Even more importantly however, we were still able to service our customers with minimal disruptions to orders and deliveries during this transition period," commented Jacobs.

Following the integration of inventory and an initial settling period, the Group improved productivity across all areas of its warehouse operation, gaining greater visibility and control of inventory, specifically for oo.com.au inventory whilst transitioning to the new carrier.

"We now have far greater visibility of inventory at every stage in the supply chain. Our order picking capacity doubled when we introduced Manhattan SCALE back in 2008 and when the solution was subsequently integrated with Vocollect's voice technology to give us a voice-directed picking capability, the Manhattan solution provided further significant gains. If we take our wine division as an example, with the Manhattan SCALE / Vocollect voice technology combination, we are able to ship 2,500 – 3,000 full cartons of wine per day, which is an outstanding achievement given that prior to using any of this technology, we were picking approximately less than a third of this amount with more staff."

The company also recognised that certain processes including its RF-enabled operations were becoming out-dated in some areas and no longer offered the flexibility, speed and accuracy required to grow the business. Thus, Manhattan recommended voice as the ideal technology for the company's case-picking operation, to support GraysOnline's fast-paced e-commerce environment.

Vocollect Voice is a truly mobile solution that provides hands-free and eyes-free workflow, so workers can concentrate on their tasks without having to flip through slips of order sheets or labels. It works seamlessly with Manhattan SCALE ensuring that



all instructions are vocalized clearly to the workers, and that their respective responses are correctly verified and registered.

Most errors have been eliminated through the use of check digits at each location. The Vocollect system was easily configured to withhold a command until the worker confirms the correct location by reading the assigned digits.

The voice solution also facilitates a real-time, two-way data flow between workers on the distribution floor and the Manhattan WMS, making it easy for managers to generate monitoring reports through Manhattan SCALE, and to provide them with comprehensive and accurate insights on the operation—right down to an individual's performance.

Employee safety also has improved on the floor. Because employees' eyes are up and looking at their surroundings at all times, the chances for injury have been significantly reduced.

Further, following the integration of Manhattan SCALE with new carrier partner, Toll, GraysOnline has been able to maximize transportation performance and efficiency as well as reduce costs.

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OVERALL BENEFITS:

With Manhattan SCALE GraysOnline has been able to:

- Gain greater control and visibility across its entire supply chain
- Streamline supply chain processes for improved efficiencies and productivity
- Maximize transportation performance and efficiency as well as reduce costs
- Greatly enhance worker satisfaction levels and order fulfillment efficiency due to the 'Hands-Free, Eyes-Free'™ nature of the voice solution
- Get workers trained faster and up to speed quicker with voice-directed solution, resulting in better deployment of human resources to meet crunch time needs