Introductions

Harry Schutte – Vice President Operations

Satish Kumar - Vice President Client Services & Technology

Kevin Hume – Partner Supply Chain Technology
Duluth Trading Background

Duluth Trading Company is an Omnichannel retail workwear brand for men and women based in Madison, Wis. Duluth Trading was founded in Duluth, Minn., in 1989 by two brothers who believed there ‘has to be a better way’ to do things, whether that means eradicating Plumber’s Butt by adding 3 extra inches to its Longtail T® Shirt or offering tradesmen legendary durability plus comfort with their Fire Hose® Work Pants made of the same rugged-yet-flexible 2×2 canvas that once wrapped fire hoses.

Website: DuluthTrading.com

Stores: 2 in Wisconsin, 3 in Minnesota, 1 in Iowa. Coming soon to Sioux Falls, South Dakota
Duluth Trading Background
Softeon Background

Softeon is a global provider of supply chain solutions from planning through execution.

The advanced and state of the art technology based platform is engineered to reduce complex problems into simple solutions to enable faster time to market, react to dynamic market conditions at lower cost of ownership which enables to get ahead and stay ahead.

Successful implementation of very large and complex implementations - on time, on budget and exceeding customer expectation.

URL: softeon.com

Established: 1999, HQ: Reston, VA Offices: Germany, India, Peru
Duluth Trading Growth

The Duluth Supply Chain Needed to Change In Order to Meet the Growing Needs of the Business ...

- **Getting Closer To The Customer Means...**
  - Building a regional DC network
  - Improving service levels for all fulfillment customers
  - An expanding store base to replenish
  - Omni-channel store capabilities

- **The growth required new ways to work ...**
  - Deploying Distributed Order Management (DOM)
  - Bringing suppliers into the Duluth supply chain
  - Improve main DC storage and picking capacities
  - Improve warehouse labor efficiencies
  - Reduce shipping costs
  - Balancing the inventory across the network
Duluth Trading Challenges

Some of the challenges that had to be met in order to make the needed changes

- Replacement of the legacy ERP system ...
  - Defined supporting technology RoadMap
  - DOM-WMS were the first priorities to deploy
  - Additional inventory allocation nodes (3PLs, DC & stores)
  - Inventory visibility and balancing
  - Real time warehouse management
  - Demand planning & replenishment

- The Main DC was full ...
  - Physical expansion was not an option
  - 2015 volume would not fit
  - Future store growth
  - eCommerce growth
Duluth Trading Supply Chain

The Vision: OMNI-Channel Customer Fulfillment
From multiple warehouses and retail locations

Distribution Warehouses

Vendors

Transfers

DISTRIBUTION Warehouse “04” SPARKS

DISTRIBUTION Warehouse EAST

Belleville DISTRIBUTION Warehouse

Retail (Face to Face)

Retail Location

Retail Location

Retail Location

Retail Location

Retail Location

Direct to Consumer (WEB & Mail) Purchases & Returns

Retail to Consumer Purchases & Returns
DOM - WMS Selection Timeline

- October – December 2014
  - Requirements Development
  - DOM-WMS Vendor Qualification
  - RFP response evaluation & short list development
  - Vendor demonstrations
  - Final evaluations
  - Contract negotiations

- Key Lessons Learned
  - Qualification effort key to ‘right sizing’ the number of vendors to evaluate in detail
  - Operational team is critical to capture necessary requirements
  - Engage all levels of the organization in order to quickly determine the final decision
DOM-WMS Design - Deployment Timeline

- January – July 2015
  - Deployment road mapping
  - WMS detail design & facility reconfiguration design
  - DOM-WMS configuration / test case development
  - Configure - launch vendor portal
  - Conduct integration – user acceptance testing
  - Develop and conduct training
  - Inventory conversion and cut over efforts
**DOM - WMS Overall Project Timeline**

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- **Selection Efforts** – Used a qualification exercise to reduce the number of viable vendor packages to evaluate
- **Deployment Efforts** – A well staffed, cross functional test team with daily management is critical to an on-time deployment.
DOM – WMS Design – Deploy – Lessons Learned

- **Testing - Training**
  - Schedule compresses due to final configuration needs
  - Daily test management (stand ups / issue tracking) is critical
  - Issue resolution – Vendor capable of quickly resolving discovered issues
  - Training for exception processes – plan and prepare for the unexpected

- **Deployment Preparation**
  - Data collection / new processes
    » Weights & Dimensions
    » Slotting
  - Frequent communication with executive management
  - Readiness assessments – knowing the right time to go live
  - Inventory conversion - reconciliation
DOM – WMS Project Accomplishments

- **Order Orchestration Capabilities**
  - Inventory allocation from virtually any node in the supply chain
  - Configurable rules to manage order node assignment
  - Inventory balancing across the nodes
    - Cross dock capabilities
    - Order Management team balancing algorithm
  - Store fulfillment pilot (next phase)

- **Vendor Portal Capabilities**
  - Brings suppliers into the Duluth supply chain
  - Improved inventory visibility
  - ASN & cross dock capabilities
  - Supplier compliance efficiencies
DOM – WMS Project Accomplishments

- **DC Operational Efficiencies**
  - Transition for paper based processes
  - Carton level ASN receipts (vendor portal)
  - Cross docking capabilities
  - Dynamic picking zones
  - Slotting of forward pick zones
  - Inter DC transfers significantly faster
  - Picking / Value add improvements for store replenishment

- **Store Efficiencies**
  - Positive confirmation of replenishment shipments
  - Customer order fulfillment from the store backroom
  - Transfers – Store to Store and back to DC via WMS
Final Thoughts

- Define your end to end plan with anticipated critical milestones.
- Be realistic with what your team can accomplish and make sure you have sufficient staffing.
- The business does not stop while you design-deploy your new system - Build time for the unexpected early in the process.
  - Emerging business - operational requirements
  - Equipment issues / delays
- Daily communication is critical during testing – deployment phases.
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