From Pallets to Parcels
for a Global Luxury Cosmetics and Beauty Brand Retailer

SUCCESS STORY

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Global luxury cosmetics and beauty brand

Warehouse:	Location:	Users:	Order volume:	Order lines:
5,000 sq. ft.	**London UK**	**20-30**	**1,000+** orders/day	**5,000+** lines/day

The Challenge:

A global personal care brand specializing in luxury cosmetics and beauty products, which operates its own branded shops and sells through department stores, was using a homegrown warehouse management system (WMS) designed for its wholesale business.

But when the retailer began to expand its omnichannel offering and grow online sales in order to compete in a marketplace where customers expect fast fulfillment and delivery … it ran into some fulfillment problems.

The company's existing WMS was unable to offer the agility and flexibility required to pick and pack online orders efficiently — costing time and margin. The retailer needed a solution to optimize e-commerce fulfillment because while the existing WMS was still viable for one segment of its business, it was inefficient for an emerging sector, which was growing in volume and importance.

Existing wholesale and growing direct-to-consumer (DTC) business.

Optimized fulfillment with warehouse-in-a-warehouse.

The Solution:

The retailer decided there were three potential options to help solve its warehouse fulfillment problems:

Option 1	**Option 2**	**Option 3**
Build additional development onto its existing WMS.	Implement an entirely new WMS.	Create a warehouse-in-a-warehouse.

After careful review and analysis, the retailer chose the warehouse-in-a-warehouse option and selected Tecsys' Omni™ WMS as the solution provider. A warehouse-in-a-warehouse concept is when one facility runs multiple distribution operations that are decoupled from each other. For example, a retailer fulfilling wholesale orders and e-commerce orders from the same location, each operation running on its own respective WMS.

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Why the Retailer Selected Tecsys' Omni™ WMS?

Time to Value

Tecsys' Omni™ WMS was able to be implemented within 28 working days and required minimal training due to the intuitive nature of the user interfaces. With pre-built integrations and an API layer, implementation time was minimized so that the retailer could be up and running quickly, meeting and exceeding shopper expectations for online order fulfillment.

Simply put, performing additional development to its existing WMS platform was not a viable solution due to the extended amount of time required to build additional functionality and the possibility of "breaking" other parts of the system. Then completely replacing the existing system would also take months (if not a year) to implement. At the pace at which omnichannel retail is accelerating, the retailer simply did not have the luxury of time.

From a facility and floor space perspective, the customer allocated the existing e-commerce fulfillment section of its distribution center to be managed by Tecsys' Omni™ WMS.

Scalability

While the Omni™ WMS was selected to meet the most urgent needs of the beauty brand retailer, it could also scale with the business as fulfillment needs grow. Tecsys' Omni™ WMS can be implemented in small fulfillment centers with single-digit users, but it can also be utilized in large multi-facility warehouses with over 250 simultaneous users. It also has pre-built integrations with automation tools (e.g., robots, carts and conveyors).

Total Cost of Ownership

The retailer also took into consideration the fact that the longer its e-commerce fulfillment continued to be inefficient, the more chance its customers had to be frustrated with its brand. The ability to increase order margin through productivity while at the same time providing an enhanced customer experience — within such a short period of time — more than paid for the cost of implementing and operating a warehouse-in-a-warehouse.
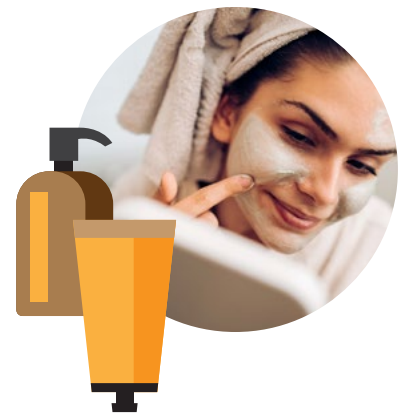
Functionality

As a cosmetics and beauty brand, the size of items to be picked (think a tube of moisturizer, a bar of soap or a jar of skin cream) are small and compact, which makes a use case for both cluster pick and batch pick picking methods. These types of e-commerce fulfillment functionality were not available in its existing wholesale WMS, but offered with Omni™ WMS.

Cluster Pick

The retailer needed an efficient picking method. The Omni™ WMS enables cluster picking where multiple items are picked for multiple orders in one picking run. These items are usually collected on a cart with separate sections for each individual order. The system keeps track of where the individual order is located on the cart and sorts all the order lines in an optimal picking sequence (across all orders). At each picking location (e.g., shelf), the associate picks the individual order line and places it in the allocated section of the cart. This is a very efficient picking method for the beauty brand retailer as the items are small and multiple orders (e.g., 40) can be fulfilled in one run.

Order A	Order B
Order C	Order D
Order E	Order F

Batch Pick

Additionally, the Omni™ WMS allows for batch order picking, which is much simpler than cluster picking and optimized for orders that have a single line item. A picker simply picks all the items for multiple one-line orders, all while being directed by the WMS to the item locations using the most efficient route.

The picker then brings all the items to a packing station and the system drives through the process of separating the group of items into individual orders. These items are scanned as they are separated into orders and the WMS links the item to a sales order and prints out an individual shipping label for the package. In this method, the retailer can pick over 100-200 orders in one cart on a single picking route.

Multiple items for multiple one-line orders

The Outcome:

The move to Tecsys' Omni™ WMS with available cluster picking was a successful decision as it introduced the retailer to digital system-automated workflows that would reduce its current ERP-driven processes by more than 90%. The system empowered the retailer to automate processes, improve order accuracy, reduce operating costs and attain high levels of service.

In today's world, fulfillment is everything. Legacy warehouse management systems were designed at a time when e-commerce represented a small percentage of total revenue. As shopping and shipping habits evolved, brands and retailers have found themselves competing not only with traditional brick-and-mortar rivals and brands, but with pure play online retailers — companies that have mastered the art of the e-commerce shipping experience.

In order to compete, brands and retailers need to ensure their fulfillment operations are optimized for fast and cost-effective fulfillment. The quickest and most reliable path toward this reality will be an out-of-the-box, low-risk, e-commerce warehouse management system that can integrate seamlessly with your existing operation.

About **Tecsys**

Since our founding in 1983, so much has changed in supply chain technology. But one thing has remained consistent across industries, geographies and decades — by transforming their supply chains, good organizations can become great.

Our solutions and services create clarity from operational complexity with end-to-end supply chain visibility. Our customers reduce operating costs, improve customer service and uncover optimization opportunities.

We believe that visionary organizations should have the opportunity to thrive. And they should not have to sacrifice their core values and principles as they grow. Our approach to supply chain transformation enables growing organizations to realize their aspirations.

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