

CASE STUDY

NEW WMS LEADS CONSUMER FITNESS & TECHNOLOGY COMPANY TO SUCCESS

ABOUT THE CLIENT

The client, a fitness and technology company has been inspiring the world to workout since 2012 with their mission to use technology and design to connect the world through fitness, empowering people to be the best version of themselves anywhere, anytime. Their unique combination of technology, content, and best-in-class instructors rapidly built a community of millions of members that grew exponentially when the COVID-19 pandemic pushed the demand for home fitness equipment to a frantic pace. Without sufficient automation in place, they were having a hard time keeping up with demand.

CHALLENGE

One of their main challenges was rooted in poor inventory visibility and accuracy. Much of that issue was due to warehouse systems that were very hard to scale and lacked the functionality to support growth expectations. The current system offered very basic scanning capabilities and facilitated manual processes that were cumbersome, time-consuming, and ineffective. As a result, they were not managing inventory effectively which led to significant variances across the distribution network and increased carrying costs. During a time where demand was peaking and supply chains worldwide were being pushed to their limits, this was a problem the client needed resolved, and resolved quickly. Cornerstone Edge was ready to support that challenge.



SOLUTION & PROCESS

With over two decades of experience in the supply chain space, Cornerstone Edge has vetted more than 80 different software solutions. This experience meant the company was well-equipped to quickly validate, design, and implement a WMS that was a fit for this company's specific needs.





EVALUATE

The client completed the legwork of identifying WMS solutions that met their needs. However, they requested help from a strategic partner, a leading supply chain consulting firm, to review the entire project, technology, and implementation roadmap. In turn, that partner reached out to Cornerstone Edge for their unique system knowledge and specific operational experience. The team's role was to validate the client's various business requirements against the specific solutions they were evaluating. From there, Cornerstone Edge confirmed the system best-suited for their needs.



DESIGN

To begin the design process, Cornerstone Edge needed to survey one of the client's largest distribution centers. This proved challenging, as the safety protocols and mandates in place due to the COVID-19 pandemic meant access was limited. In fact, Cornerstone Edge was the only consulting group allowed into this distribution center, and their time inside was capped at two hours. All subsequent design meetings and discussions were conducted online, lasting many hours over the course of several weeks. Once Cornerstone Edge completed this physical walkthrough, the team led the WMS design effort around the company's specific operations.

Because the solution needed to be rapidly rolled out to a total of 36 sites across the US and five sites in the EU, creating a global approach around standard operating procedures was key. Rules for locating, allocating, and creating work were established and implemented across the network to ensure continuity and a quick rollout. Differences among facilities, including smaller fulfillment centers and EU operations, were considered and system design worked around those constraints. Of the 350+ system configurations in the WMS, only 8 were deemed as warehouse specific. This allowed for a rapid implementation model.



IMPLEMENT

With a global design in place, the team began to implement the WMS. They started with a larger distribution center to test configurations and concepts. Any issues that arose were addressed, repaired, and tested until resolved. With a sound proof of concept complete, the team then began to roll the system out network-wide. The global design was instrumental in facilitating a speedy rollout. In fact, in one instance, 12 sites were able to go live in a single weekend.

Of the 36 US sites involved in this initiative, Cornerstone Edge was directly involved in four of the five larger sites and four of the 31 smaller sites. The first, and most complicated of these sites, was installed on September 14, 2020. The remaining 35 sites were live prior to September 30, 2021.



RESULTS

This consumer and fitness and technology company implemented a WMS powered by automation that allowed them to track inventory more effectively, thus increasing their overall productivity. The WMS implementation resulted in:

1

Enhanced visibility and continuous tracking: What was once a manual and error-prone approach was automated to allow high-value products to be tracked at every level, including spare parts and accessories. Serialized inventory can now be tracked at every stage of distribution, not just at shipping, allowing them to know the location of their products in real time.

2

Improved receiving operations: The introduction of EDI driven license plate receiving from overseas manufacturing and distribution centers was a game-changer. One accurate license plate scan now accounts for all serial numbers on a pallet, eliminating the need to scan each item individually and vastly improving receiving efficiencies.

3

On-time rollout: Global configurations allowed for a quick WMS rollout to all distribution centers. Less than 10 unique configurations were needed for each distribution center. As the team became more proficient, new sites could be rolled out in six weeks with two weeks of support. With a repeatable process, implementation could be done multiple times simultaneously.

4

Effective Transition: This company's resources are now capable of rolling out any remaining sites or making any necessary changes on their own moving forward.

In the end, the collective team helped this client implement their new WMS in 36 different US sites. Since implementation, they have experienced 97.158% or higher inventory accuracy in all distribution centers. For larger distribution centers that have been running the systems for several months, accuracy was at 99.562%. In May 2021, the company reported that its fiscal third-quarter sales grew 141%. These are results we can be proud of.

The collaboration, teamwork, and comradery established among all participants was amazing. While the pandemic was challenging for all of us, the professionalism and ability to do what initially seemed impossible was a real win that demonstrated a new way of working. Cornerstone Edge is grateful to have been a part of it. Find out how they can help you make your supply chain your secret weapon.

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