



One step ahead in the footwear warehouse

Footwear fashion is fickle. Remember when everyone from TV chef Mario Batali to the kid next door was wearing Crocs? Now, it seems like the masses, at least those between the ages of 13 and 18, are wearing TOMS Shoes instead. There was a time when people wore one pair of shoes for walking and switched to another at work. Now with dressy-looking, comfortable walking shoes, you can get your miles in and be office-compliant. Seasons and cycles are constantly changing.

For manufacturers, looking into the crystal ball to see the next hit is a costly and risky challenge. Guess wrong and you're stuck with a warehouse full of inventory. With constantly expanding product lines and at least three different distribution channels (wholesale, retail and e-commerce) successful shoe folks realise that speed to the consumer is critical in this fashion-driven industry. But while you can't control what the fashionistas are preaching, you can gain control over chaos and confusion that comes with a proliferation of stock keep units (SKUs) in your ever-expanding warehouse.

Good warehouse management can help footwear companies build success by driving down the cost of distribution while increasing customer service. In this article Jack Rubinger and Don Benson explain how warehouse management technology can play an important role.

Simple signs

A variety of visualisation tools can help. A simple, cost-effective technology that is useful in any warehouse is highly visible retro-reflective barcodes and way-finding signs and labels. Aisle signs can help anyone in the warehouse easily know where they are and which direction to take as they search for specific locations. Storage location labels are commonly used as addresses like home or business addresses outside the warehouse. Signs and labels

With expanding product lines and wholesale, retail and e-commerce channels, footwear companies now need to manage distribution more carefully than ever.

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shorten the orientation time for people new to the warehouse and increase the productivity for those who work there.

In smaller warehouses, the ordered SKUs are often listed on a picking document in the same sequence as the order was entered. With smarter business systems, the SKUs are listed in a logical picking sequence to reduce the walk time. The visual cue of a well-run warehouse is that there is a place for everything and everything is in its place.

"I consider it a necessity to use barcode labels throughout the distribution centre on the various storage media locations for inventory management purposes," says Chris Slover, an account executive at Fortna, an outsource supply chain solutions provider in Nashville that works with footwear companies such as ASICS, Brown Shoe, Genesco, and TOMS.

David Schneider, who runs his own supply chain solutions company in Virginia, says a lack of organised signage or location ID labels is one of the signs of an inefficient warehouse, along with merchandise in aisles and merchandise mixed in the locations.

Simple steps

For his part, Roger Lamb, director of supply and operations at Sole Technology, the California-based company that owns a number of footwear brands, including skateboard-inspired Etnies, has five concrete suggestions on how to make footwear warehouses function well.

First, you have to set up your building for a good work flow: receiving, storage, picking, then shipping. Second, you should avoid mixing SKUs in locations. Next, you should aim at finalising all transactions within 24 hours. This ensures the work gets done and you save a lot of time answering questions from customer service, production, and customers. It will also help keep inventory in the warehouse in sync with your book inventory. Next, according to Mr Lamb, you must analyse every step in your process to find ways to improve speed and cost. And lastly, you must instil accountability for all in your operations.

One-stop shop

Before you fall in love with the all-encompassing, one-stop-shop technology solution, be sure your systems are financially sound and operating smoothly. Applying systems technology to a bad process, or worse, in an environment of poor discipline, is only asking for trouble. Warehouse technology assumes that good basic warehouse practices are in place.

Consider four steps before taking the tech plunge. First, establish a clear vision for your company leading to a balance between economic value and building capabilities. Second, understand how to deliver measurable desired outcomes for the company and the warehouse. Next, educate decision-makers and task-performers. Lastly, conduct re-engineering processes.

Real-world solution

Ruben Trifilio was hired by Grendha, a Brazilian company that markets and distributes trendy moulded-plastic women's and children's shoes. On the surface, it looked like the warehouse was operating smoothly with the aid of enterprise resource planning (ERP) systems, a logistics consultant and a distribution specialist who were working together to optimise space, effort, workflow and accuracy. Also, a radio frequency (RF) system had been recently implemented.

Unfortunately, there was really no one in the warehouse at Grendha who knew how to coordinate these modules. Inventory was out of control. Items were misplaced. When certain styles, colours or sizes were not where they were supposed to be, people would just find and pick the shoes from somewhere else and move on, without really understanding why these problems were happening.

Questions needed to be answered. Was the shoe in the bin right next to where it was supposed to be? Did it get scanned into the wrong location on put-away? A period of retraining and self-examination helped everyone work toward a clear understanding of the importance of inventory accuracy and determining who controls what throughout the system.

When his team was ready to implement a technology solution to automate many of these tasks, the work was better organised. "The new system forces everybody to follow the rules, keeping everything straight and making it virtually impossible to pick the wrong shoes," Mr Trifilio says now.

Technology can help

At some point in the growth of sales, inventory or SKUs, a warehouse can justify purchasing a warehouse management system (WMS) to improve inventory accuracy, picking productivity and space utilisation. A lot depends on the type of operation. What works for a large e-commerce retailer may be a poor fit for a specialty fashion supplier.

Popular technologies enabled by a WMS include automatic identification (such as by barcode label or RFID tag). This should be done at the factory.

There is also useful communication technology, allowing operatives to use voice or light technology to pick and pack. Communication is the key to keeping everyone on the same page about the task in hand.

Storage (static or automated) should be organised at all times for inventory accuracy, speed of locating and housekeeping safety. The need for handling and transport technology (with lift-trucks, robots or conveyors) depends on order-processing timing. For pick-and-pack orders, conveyors are important.



DuraLabel retro-reflective barcode labels on shelves and aisles enable pickers to scan for product information from eight metres away. Technology such as automatic identification can help a warehouse work well, but you need to have good workflows in place first. CREDIT: DURALABEL

WMS software has been around for 35-plus years. Well-known footwear industry and fashion WMS providers include Epicor, Simparel and Apparel Business Systems.

Fortna's Chris Slover says: "WMS is the main tool to manage inventory throughout the distribution centre from receipt, storage, and shipping. WMS will interface with a host system or ERP that manages order management processes and then also with a warehouse control system that can manage the physical flow of inventory through the distribution centre."

Not all users are satisfied with their investments in these systems. Critics say they never saw anything close to the expected return. Fans say it dramatically transformed operations. Like ERP, customer relationship management and other enterprise software applications, to get business and operations results from the investment, the goal should not be quick and cheap. Depending on the operation, implementation can run anywhere from 16 to 40 weeks from installation to go-live. Map out and determine how a WMS can automate processes to eliminate human error and have visibility of moving inventory. You should also be able to use the WMS for accountability purposes.

As companies solidify their position in a supply chain, managing relationships with vendors and customers to maintain proactive, strong and creative two-way movement of information and materials is mission-critical. The reality is that a successful company and warehouse can be sustained only when management works to maintain a creative tension and balance between the priorities that the company needs for itself and what the company must do for others in its chain.

Driving down the cost of distribution while increasing customer service will drive success in the footwear industry. The Amazons and Zappos of the world are highly aware that business competition will naturally grow, bringing the need for the company and the warehouse to attend to financial performance in the short term and build capabilities for the long term. Together they build a resilience that can sustain the business. 

Don Benson is a specialist consultant who has designed warehouses for Nike, K-Swiss, Columbia Sportswear, Puma, Famous Footwear, and L.A. Gear. Jack Rubinger is a Portland, Oregon-based industrial copywriter for Graphic Products.