

“We look for lasting relationships—with our customers and with our vendors. The first implementation was a great success. We consider Manhattan Associates a trusted partner, and one that will continue to be the solutions provider of choice for our supply chain needs.”

Ken McKinney, Director of Distribution, Urban Outfitters



Urban Outfitters achieves high efficiency with integrated supply chain solutions

MULTIPLE, OVERTAXED SYSTEMS AND LABOR-INTENSIVE PROCESSES LEAVE URBAN OUTFITTERS UNABLE TO KEEP UP WITH GROWTH

Urban Outfitters delivers unique shopping experiences to highly defined customer niches from its specialty retail stores, web sites and catalogs. It offers differentiated collections of fashion apparel, accessories and home goods in inviting settings. Stores include Urban Outfitters, for the 18 to 26 “mating and dating” age group, and Anthropologie, for females of the “nesting” ages of 30 to 45. Besides retail and direct-to-consumer channels, the company also has a wholesale division, which distributes Free People and bdg labels to more than 1,000 stores in the U.S. and United Kingdom.

Delivering compelling and distinct brands that emphasize creativity is at the core of Urban Outfitters’ message. The company’s ability to understand its customers and connect with them on an emotional level has driven its continued growth and success. Urban Outfitters plans to expand its customer base in North America and Europe through additional locations and direct-to-consumer offerings.

With its growth and increasing sales straining existing systems, Urban Outfitters decided to transform its supply chain processes with a long-term solution that could support operations across the company’s multiple channels. The solution needed the capacity to handle high volumes. Urban Outfitters also wanted to increase process efficiency, improve supply chain visibility and obtain meaningful performance measures.

URBAN OUTFITTERS CHOOSES MANHATTAN FOR EXPERTISE, SCALABILITY AND FUNCTIONALITY

Urban Outfitters undertook an extensive search for a company that could offer a lasting partnership that would support its business strategies, and a supply chain solution that would replace its multiple systems and labor-intensive processes. Urban Outfitters selected Manhattan Associates, finding in the company the quality people and expertise it wanted to help it reach its objectives and take its distribution to the next level. Manhattan Associates’ Supply Chain Solutions

urbanoutfitters.com

Headquarters: Philadelphia, PA

Distribution centers: 3

Platform: IBM i

Manhattan solutions:

Warehouse Management, Labor Management, Transportation Execution, Supply Chain Intelligence, Extended Enterprise Management

Challenge:

Existing systems were taxed by the company’s rapid growth and increasing volume.

Goal:

Urban Outfitters wanted a high volume, high efficiency supply chain solution to support growth across multiple channels.

Solution:

Manhattan’s Supply Chain Solutions had the scalability and depth of functionality to support multi-channel operations and growth.

Result:

35% reduction in total headcount; 80% reduction in manifesting and invoicing processes; 66% reduction in turn time through receiving and 60% rise in putaway efficiency.

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"Manhattan Associates understood our business, and its expertise in the direct-to-consumer, retail and wholesale industries made it the low-risk choice. We felt we had a long-term partner for our long-term strategy."

Ken McKinney, Director of Distribution
Urban Outfitters

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MANHATTAN INTEGRATES MULTIPLE SOLUTIONS AND "INHERITED" EQUIPMENT

Urban Outfitters started the project in its direct channel division, in response to the channel's projected growth and expanding global availability. The company moved the fulfillment and call center activities of its direct channel to a facility in Trenton, S.C. Urban Outfitters implemented Manhattan Associates' Warehouse Management and Supply Chain Intelligence solutions at the site. The solutions improved distribution processes, integrated with existing technologies, and supported the direct channel's high volumes of small orders.

Moving into the Trenton site, Urban Outfitters acquired the equipment left by a vacating clothing distributor. As an added bonus, the company was able to use the integration capabilities of Manhattan Associates' Warehouse Management solution to incorporate into its operations the tilt tray sorter and other material handling equipment already in place.

"One of the reasons we chose Manhattan's solution was because it integrated with the material handling equipment that we inherited when we leased the Trenton facility," said McKinney. "This allowed us to make the most of the equipment already in place."

Urban Outfitters also uses Manhattan's Warehouse Management solution to receive advance shipment notices (ASNs) from vendors, to better plan distribution of incoming shipments. With the solution's cross docking and cycle counting techniques, Urban Outfitters can fulfill orders more quickly and accurately, decreasing handling time and inventory levels, and sending stores accurate information on shipments.

The Transportation Execution solution provides shipping characteristics to the ounce to help Urban Outfitters analyze freight costs and select best shipping rates.

IBM Power Systems running IBM i provides an integrated platform to help simplify Urban Outfitters' IT environment while improving overall performance, availability and energy efficiency. With these servers and the virtualization technologies, capabilities and offerings, the company can consolidate applications and servers, virtualization system resources, and provide a more flexible, dynamic IT infrastructure.

PUTAWAY EFFICIENCY RISES 60%; MANIFESTING AND INVOICING TIME DROPS 80%

Urban Outfitters obtained a significant return on its investment in Manhattan Associates' Supply Chain Solutions. It achieved increased productivity and supply chain visibility and improved collaboration with trading partners and product flow.

Since implementation, Urban Outfitters has experienced:

- 35% reduction in total headcount
- 80% reduction in manifesting and invoicing processes
- 66% reduction in turn time through receiving, from 3 days to less than 24 hours
- 60% rise in putaway efficiency

The company benefited from the Supply Chain Intelligence solution as well—using the solution's dashboard view and detailed reports to measure and analyze supply chain performance. "We had no idea how valuable the Supply Chain Intelligence solution would be to our business," said McKinney. "Its analysis capabilities and detailed reports were a nice surprise."

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"IBM Power Systems running IBM i provide customers like Urban Outfitters a simple and powerful platform to run their critical business applications. The scalability and flexibility of this platform will enable our customers to do things they have never been able to cost-justify before."

Scott Handy
IBM VP, Power Systems Sales and Marketing