

# MANHATTAN HELPS TARSUS DISTRIBUTION BOOST EFFICIENCY BY 60%

## OPERATIONS

Johannesburg, South Africa

## MANHATTAN SOLUTIONS

Manhattan SCALE



### CHALLENGE

Tarsus Distribution had a decades-old warehousing system, outdated processes and practices and needed to plan for rapid change in the technology distribution industry.

### SOLUTION

With Manhattan SCALE warehouse management system, and Supply Chain Junction as the implementation partner, Tarsus was able to bring its customer-centric business model to life by streamlining processes and improving customer service.

### PROGRESS & RESULT

Pick rate productivity improved more than 60%, inventory accuracy increased to greater than 99%, and the labour force was reduced by 25% along with an elimination of overtime.

"It has been one of the best, most-optimal outcomes. Not only has Manhattan SCALE removed errors and inefficiencies, it has improved productivity through flexible and optimal pick patterns."

TIM PROOME, HEAD OF SUPPLY CHAIN AT TARSUS



# TARSUS DISTRIBUTION AND MANHATTAN SCALE

## LEAVING LEGACY TECHNOLOGY BEHIND

Tarsus was established in 1985. With more than 30 years of operation, is the longest-established IT distributor in South Africa. Tarsus Distribution distributes the world's leading IT hardware brands to the Southern African reseller channel.

With the speed of innovation and change within the South African hardware reseller market, Tarsus needed a solution to ensure that was able to adapt rapidly and ensure that it was able to embrace and leverage this change. It was recognised that the existing legacy software solution and supply chain practices were a key inhibitor to this change and needed to be modernised.



Tarsus wanted to improve its long-established solutions and processes through the Manhattan SCALE software application platform. The company also chose to partner with Supply Chain Junction to leapfrog legacy and grow the business by developing their unique distinctive services in the market. Despite its success, Tarsus embarked on a journey to implement a data driven and process-oriented program for change, focused on their end customer success. Manhattan and Supply Chain Junction were there to ensure the company turned its vision into a reality.

Tarsus aimed to achieve the following objectives when they started their journey:

- Extend and optimise current warehouse offerings and solutions.
- Implement change in the culture of the firm. This was presented as the biggest challenge but became the biggest opportunity.
- Reduce costs, as well as increase internal efficiencies through labour force optimisation and staff empowerment.
- Drive a customer-centric approach which would improve their customers' experiences.

## UPGRADED TECHNOLOGY LEADS TO GREATER EFFICIENCY

The entire process – beginning with aligning needs and expectations and then implementing the system – took a year and a half. But Tarsus began seeing positive results within two months of going live.

Manhattan SCALE was implemented in a systematic and phased manner. Standardisation, automation and optimisation of processes resulted in a reduction of staff requirements, and also improved operations through a customer-centric approach. Thanks to data optimization tools in the new technology, Tarsus was able to be more proactive in ensuring customer satisfaction.

Pick path sequencing, in conjunction with Inventory ABC analysis and related warehouse layout, increased overall efficiency by a stunning 60%. The newly optimised and mapped-out pick path reduced picker travel time in the warehouse by a massive 35%. This has been a crucial element in achieving the high efficiency in customer service.

## MANAGING THE CULTURAL IMPACT

Breaking free of processes that had been ingrained for 30 years, required Supply Chain Junction to engage in change management. However, through solution training, Tarsus employees saw past the initial disruptions to the ultimate advantages. The pedigree of the Manhattan solution, paired with Supply Chain Junction's consulting expertise and project methodologies, ensured an elevated operational system that would propel Tarsus' customers' success. Finally, positive outcomes of the change in software and processes – in such a short timeframe – quickly settled the disruptive nature of the change. Instead, the teams were excited about the shift to a growth and efficiency mindset.

Though there was initial employee pushback when asked to move away from the familiar, Tarsus as whole recognized the way forward lies in using innovative solutions to price competitively, developing internal and external infrastructure, and establishing new skill sets, strategies and out-of-the-box thinking.

### POSITIONED FOR LONG-TERM SUCCESS

By investing in Manhattan SCALE, Tarsus recognised the power of solutions that raise customer success and enhance retention through efficiency and value. This resulted in a 3PL methodology which leveraged existing assets and infrastructure while adding valuable services to end clients. Tarsus achieved the following:

- Pick rate productivity improvements in excess of 60%
- Labour force reduction of 25% and elimination of overtime
- Inventory accuracy greater than 99%
- Business growth challenges met and exceeded through optimisation processes
- Reduction of ongoing MHE costs
- Increased sales and customer satisfaction, driving new momentum in demand generation
- Growth in profitability due to huge improvements in internal quality and effectiveness

Thanks to Manhattan SCALE and Supply Chain Junction, Tarsus has set itself apart in marketplace. It has proven that it can implement 3PL customers in timelines in accordance with international standards, with high marks for customer satisfaction. With solid technology foundation in place, Tarsus can move into the future knowing future success is within its reach.

