

ONLINE GROCERY RETAILER REDMART SET FOR CONTINUED GROWTH

with Manhattan Supply
Chain Solutions

OPERATIONS

Headquarters: Singapore

Number of distribution centres: One in Singapore: currently 30,000 sq. ft., to be expanded to 110,000 sq. ft. within twelve months

MANHATTAN SOLUTION

Manhattan SCALE™



CHALLENGE

RedMart needed to transition to an automated fulfilment approach to optimise its complex order fulfilment operation and to scale the business rapidly.

SOLUTION

Manhattan SCALE selected as RedMart's supply chain commerce platform to support the business's fast-expanding ecommerce operation; solution deployed in Amazon Web Services' cloud infrastructure.

PROGRESS & RESULT

Order cycle time halved; service levels improved; 99%+ fulfilment accuracy achieved; employees more engaged and accountable through system-enabled performance tracking capability; continued business growth enabled by SCALE.

"We've certainly laid the right foundation with Manhattan SCALE and are confident that we have the right technological platform to support our future business growth."

VIKRAM RUPANI, CO-FOUNDER OF REDMART

READY FOR CONTINUED GROWTH

at RedMart

“Fulfilment capacity increased by over 50% in the week immediately following the implementation and going forward, we believe we can increase capacity by approximately 15% each month for the foreseeable future without any significant increases in headcount. With these increases in throughput, fulfilment costs per order can be reduced rapidly, thus allowing us to achieve favorable unit economics much faster than what would have been possible without SCALE.”

NEED FOR A SUPPLY CHAIN COMMERCE PLATFORM

Ecommerce for groceries is arguably one of the most complex retail businesses from a fulfilment perspective, given the large number of unique items associated with a typical order and the fast delivery times demanded by consumers.

RedMart was founded with little resources and a big vision: to disrupt traditional grocery retail by offering customers a better way to shop for their everyday household essentials. The online grocer provides a wide product selection with high availability levels, competitive prices, same-day and next-day delivery and 99%+ fill rates.

The Singapore start-up launched just over two years ago in a 3,000 square feet warehouse with approximately 3,000 individual stock keeping units (SKUs). As orders picked up and awareness grew, the founders soon realised that the manual fulfilment processes they were initially using were soon going to hinder business growth.

“RedMart has been growing about 20% month over month since its launch just over two years ago,” said Vikram Rupani, Co-founder of RedMart. “However, we have barely scratched in surface in terms of the opportunity that lies ahead – modern supermarket spend in Singapore alone is circa. USD 6 billion today, with less than 1% of that transacted online.”



The Singaporean online retailer was looking for a robust solution to optimise the processing of incoming product shipments and to enable picking and packing of large numbers of outbound orders, each made up of many individual SKUs, in the fastest possible manner. Most importantly, the system needed to deliver improved visibility in the warehouse by showing how much inventory was available and where it was located to ensure orders could be processed within a tight wave and that the time from order to delivery could be reduced.

RedMart explored several competing offerings in the marketplace before selecting Manhattan Associates for its industry leadership, global presence and track record in delivering robust, flexible and scalable supply chain commerce solutions. It felt that the team at Manhattan Associates best understood its business needs and provided invaluable guidance throughout the selection and pre-deployment phases. Affordability and ease of implementation were important factors in RedMart’s selection of Manhattan whilst the business also concluded that the Manhattan solution was best placed to meet the stringent demands of a fast-paced online grocery fulfilment operation involving complex orders and same-day deliveries.

FOCUS ON CUSTOMER EXPERIENCE, NOT MANAGING SERVER HARDWARE

As a start-up with limited resources, it was important for RedMart to invest time and energy into maximising the customer experience rather than managing its IT infrastructure. The company had already deployed all its enterprise systems on Amazon Web Services (AWS) and was now looking for a partner whose supply chain solution could also be deployed in the cloud.

RedMart subsequently deployed Manhattan SCALE on AWS and worked closely with the Manhattan team to optimise performance and ensure there were no latency issues for on premise devices including printers and scanners. RedMart reported zero issues related to AWS or Manhattan's ability to deploy in this manner.

Keeping all systems on AWS meant there was no need to invest in new network infrastructure and it allowed the ecommerce business to retain the benefits derived from working with AWS, including excellent reliability, affordability and constant upgrades.

INCREASED VISIBILITY KEY TO SUCCESS

Manhattan SCALE offers the robustness needed to run a high growth ecommerce grocery business with a wide product selection, high in-stock rates and fast order-to-delivery cycle times. It provides RedMart with the visibility of what products are available for sale in real time, where the stock is located (thus ensuring efficient picking and packing) and it keeps track of overall inventory levels. The platform ensures that the online grocer only sells what is 'in store,' without disappointing customers by delivering incomplete orders.

The new warehouse management solution has provided a huge boost for RedMart's operational efficiency by being able to track and monitor all physical tasks undertaken in the warehouse which has in turn resulted in a perpetual cycle of process and productivity improvement. It has enabled RedMart to start to build an incentive system that is performance-driven. Going beyond compensation benefits, the system empowers employees to develop their own goals that they can work towards. Following the deployment of Manhattan SCALE, employees became more accountable and engaged, thus contributing to RedMart's overall organisational health.

OUTSOURCING WAS NEVER AN OPTION

Grocery retailing is very complicated but by operating the supply chain in-house, RedMart was able to create an advanced, technology-enabled fulfilment capability. Vikram Rupani explained, "The approach has resulted in the creation of a much more streamlined, scalable and customer-focused service operation— across the entire supply chain—than what we would have been able to achieve through any outsourced logistics services arrangement."

"We believe we are less a retailer, and more a technology company which is focused on retail," continued Rupani. "By developing our own solutions, and working alongside partners like Manhattan, we are forced to think creatively about how to solve our unique problems. It is through this process that we are able to create innovative solutions that can disrupt traditional supply chains. Further, we would never outsource what we consider to be a core part of our business."

QUICK IMPLEMENTATION AND FUTURE OUTLOOK

The SCALE implementation took just over four months. After the system go-live, RedMart's operations were running at full capacity within five days. The team was able to complete all orders in just half the time that they had been used to and with 99%+ accuracy. With the help of SCALE, the online grocer has been able to maintain its phenomenal growth rate. Furthermore, plans have been made to further improve warehouse operational efficiency and the overall supply chain with a target of further significant growth in the year ahead.

"Fulfilment capacity increased by over 50% in the week immediately following the implementation and going forward, we believe we can increase capacity by approximately 15% each month for the foreseeable future without any significant increases in headcount," said Vikram Rupani. "With these increases in throughput, fulfilment costs per order can be reduced rapidly, thus allowing us to achieve favorable unit economics much faster than what would have been possible without SCALE. We have big plans for the future. Whilst RedMart is operating in Singapore today, we plan to expand internationally. We are also currently planning an entrance into retailing fresh produce, which is tremendously complicated to do at scale. We've certainly laid the right foundation with Manhattan SCALE and are confident that we have the right technological platform to support our future business growth."

