

MATALAN MAKES ECOMMERCE MORE PROFITABLE

Through Supply Chain Transformation with Manhattan WMS

OPERATIONS

Two distribution centres (DCs) support fulfilment of click-and-collect and home delivery orders

MANHATTAN SOLUTION

Manhattan Warehouse Management Systems (WMS) in the cloud

MATALAN



CHALLENGE

In order to upgrade aging technology and handle increasing DC volumes, Matalan needed to implement a major upgrade remotely during COVID-19 lockdown.

SOLUTION

Through rigorous planning and collaboration between teams, the retailer upgraded its version of Manhattan Associates WMS, leading to increased capacity, faster store replenishment, and more flexible online delivery options for customers.

PROGRESS & RESULT

The project was delivered on time and under budget. The retailer now has the flexibility to manage orders through any channel. And with reduced downtime for maintenance, leading to an extra hour of ecommerce production.

“The WMS from Manhattan gave us the flexibility to work with an agile solution that allowed us to develop our ecommerce proposition in tandem with retail.”

PAUL KEE, HEAD OF LOGISTICS, MATALAN

MATALAN AND MANHATTAN ASSOCIATES

INNOVATION THROUGH ADVERSITY

Known to millions of UK shoppers as your local great value family retailer, Matalan is a British fashion and homeware retailer.

The company has 230 stores in the United Kingdom, a franchise operation in Europe and the Middle East, and a thriving online business that offers home delivery and click-and-collect from stores. This huge operation is supported twenty-four-seven by two large distribution centres (DCs) at Corby in the East Midlands and a million square foot DC in Knowsley near Liverpool. As a value family retailer, Matalan operates in a fiercely competitive market that demands choice, service and fast delivery.

Matalan and Manhattan Associates have been partners since 2002. Over the years their teams have worked to grow and evolve their WMS footprint to support the retailer's evolving business. The most-recent upgrade was driven by the company's desire to capitalise on the phenomenal growth in its e-commerce business, as well as build guaranteed capacity to meet peak trading demand. To do so, Matalan needed to upgrade its WMS to deliver even greater efficiencies and speed to customer.

The latest release of WMS from Manhattan Associates features leading-edge ecommerce functionality which would enable Matalan to revolutionise its ability to scale operations, pivot quickly and adapt processes to meet evolving needs.

CORBY FOCUSES ON STORE FULFILMENT; KNOWSLEY RAMPS UP ECOMMERCE

Matalan uses the Corby DC as a dedicated site for replenishing stores, while the Knowsley DC was set up to handle the fast-growing ecommerce business. Both facilities take their fair share of click-and-collect orders.

In Corby, a key deliverable was improving efficiencies around store replenishment, whereby replenishment took place less often but moved through the DC much more quickly. The upgrade enabled Matalan to adapt processes and split the pick face between retail and ecommerce, ultimately giving better control over replenishment and reducing the frequency of running a replenishment process.

This had the knock-on effect of reducing "out of stocks" and improving speed to market on ecommerce orders due to a more advantageous cut-off time. As a result, Matalan was able to offer customers more flexible, online delivery options. With ecommerce



growing more than 25% per annum, the ability to cater to customer expectations was paramount to ensuring exceptional buying experiences. The upgraded WMS has also improved data availability and stock visibility, empowering better and quicker decision-making.

It is testament to the strength of the relationship between the Matalan and Manhattan teams that the majority of the implementation was able to occur during the COVID-19 national lockdown. As 90% of warehouse staff were on furlough, nearly everyone on the project worked virtually to make the rollout a success, with only a handful of Matalan employees on site. Rigorous advance planning, architecting and testing by the Manhattan team ensured that there were no problems during the implementation. And the project was delivered on time and under budget.

Matalan Head of Logistics Paul Kee said, "As a proud value retailer, it was imperative that we were working with the right partner both in terms of the commercials, the ability to work with them, the integration and of course the product itself. I'm very pleased to say we had a smooth transition. The project teams worked collaboratively in an agile way of working, and despite all the various challenges outside of our control, we had a really successful implementation, managed 100% remotely."

FAST RESPONSE TO COVID-19

Sometimes in adversity, the best opportunities come to fruition. Matalan had already been working on fulfilling ecommerce orders from the store stock file. When the pandemic hit and stores closed, the retailer worked with Manhattan to accelerate this capability, quickly turning a plan into reality and enabling sales despite significant limitations.

SUCCESS IS ALL ABOUT KEEPING PROMISES TO CUSTOMERS

As a result of the success of both projects, Matalan can now deliver even better customer service, regardless of what channel they choose. Cut-off times for delivery have been shortened and order accuracy has improved. In addition, DC employees find the new system easier to use, more intuitive than ever, with a deeper level of automation. All of which give them access to more data on the DC, orders and systems performance.

By transferring more of the warehouse management infrastructure to Manhattan, Matalan has been able to focus on customer service, knowing that all critical data is secure and fully supported in the cloud.

Matalan had such a positive experience with the collaboration tools on this project, it now knows it has the option of executing additional initiatives remotely – even post-COVID.

“Previously we might have been a little bit hesitant about looking at remote implementations, but now, for circumstances beyond our control, we reacted really well in an agile way. We worked collaboratively and we will definitely be taking that forward for any future implementations.”

A NEW WORLD OF OPPORTUNITIES OPENS UP

Currently, Matalan is working with Manhattan Associates to introduce more multi-channel capabilities in both DCs. Overall, Matalan now has the flexibility to flex its DC capabilities based on customer demand. A new, tactical option to service ecommerce in the Corby DC is live, while the ability to fulfil from stores and Corby is in development. It is all part of Matalan’s initiative to take a digital-first approach to customer service.

Working with Manhattan Associates, Matalan has solved one of the toughest challenges facing UK value retailers – how to maintain profitable operating margins in the store and online. The company has proven that it can meet the demands of one of the largest and most-unexpected demand peaks ever seen in retail. Now, Matalan has confidence knowing that its systems have the technology and adaptability to handle whatever may come.

