

WAREHOUSE AND DISTRIBUTION MANAGEMENT SERVICES FREE UP CAPACITY TO HELP RETAILER GROW

E-commerce continues to boom, with a total value of \$2.84 trillion in 2018, a 23% increase over the previous year. Yet consumer behavior is as fickle as ever — 80% of online shoppers stop doing business with a company due to poor customer experience. To maintain trust and meet high consumer expectations, retailers must have product available in their warehouse and ready to ship — to store or doorstep, when demand arises. This increased demand for [warehouse storage](#) solutions makes strong warehouse management practices critical for retail success.

OVERCROWDING CAUSES INBOUND WAREHOUSE CAPACITY ISSUES

A global omnichannel retailer's volume was up 23% year over year, with warehouse facilities bursting at the seams, causing strain on inventory management. The warehouses continued to surpass targets of outbound shipments even though warehouse capacity was at 100% or better. Schneider advised the retailer to add a third building to the campus to increase warehouse capacity based on forecasted growth.

Up against a tight market, finding the right warehouse to meet capacity needs was a challenge. A location with the ideal amount of space was finally located, but it was 10 miles away from the main campus. Despite the distance from the two existing facilities, the retailer was pleased it now had 2.3 million square feet of warehouse space — up from 1.7 million square feet. However, the retailer's warehouse and distribution management plan veered off course when its supply chain strategy changed shortly after securing the new building. An influx of freight to the campus caused the new warehouse to fill quickly, so the retailer turned to Schneider once again to revise the flow of inventory to ensure all the freight fit in the footprint.



WAREHOUSE MANAGEMENT EXPERTISE BALANCES FLOW OF CONTAINERS TO INCREASE EFFICIENCY

Within a year of the opening of the third building, the retailer once again operated at warehouse capacities of 95% or greater — making operations within the warehouse inefficient and lowering overall productivity. This sent the retailer over its budgetary guidelines. Operating under high volume inbound freight, the Schneider [warehouse management](#) team was able to strategically balance the flow of containers to each building to maintain the much-needed efficiency in operation.

For better inventory management, Schneider recommended a slot consolidation procedure that would keep freight moving through the building without overburdening the facility. Consolidating pallets throughout the warehouse would free up the space needed for incoming inventory.

Detailed planning and inventory management allowed the teams to know exactly how many pallets they would receive and how many slots to consolidate to keep receiving moving.

In addition to the successful slot consolidation procedure, the team strategically positioned the right inbound containers to respective buildings to ensure the customer would gain paramount efficiency and productivity from the retailer's different freight types.

Lastly, the team built a database for solid productivity tracking. The database has been an integral part of assisting the logistics management team in understanding individual productivity trends, which has helped to further drive superior performance within the operation.

SCHNEIDER'S APPROACH FREES UP MUCH NEEDED WAREHOUSE CAPACITY

With thoughtful changes in place, the retailer alleviated the capacity strain and reaped productivity gains.

- Reduced warehouse congestion and increased productivity were the results of a decrease in warehouse capacity from 99% to less than 80%
- Productivity increased by 8% over budgeted cases per hour and 12% year over year
- \$1.88 million savings driven by optimized layout and inventory flow and improved utilization

In the face of increasing e-commerce behavior and heightened consumer expectations, Schneider took a load off the retailer's shoulders, turning a problematic warehouse logistics issue into a growth opportunity for the customer's business.

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IN SAVINGS**

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Looking for a warehousing solution to meet your capacity needs?
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