

Case Study: Warehouse Management K&M Style



"The system had all the functionality we needed for a reasonable price. And as we found out later, Made4net also have an extraordinary team of professionals, committed and reactive."

Daniela Ratcheva, CEO, K&M Style, on Made4net's Supply Chain Execution Suite SCEExpert™

About K&M Style

K&M Style is a private Bulgarian 3PL company founded in 1992. It focuses on complex order handling and value-added activities. The company provides a high level of service and targets customers that show great sensitivity to the image of their brands.

The primary customers of K&M Style are L'Oreal (L'Oreal FMCG division – L'Oreal Paris, Garnier, Maybelline, L'Oreal professional division and distribution center for Serbia) and Europapier, one of the largest paper companies in Europe, suppliers of design, graphic, and office papers.

K&M Style operates 3 warehouses (including a newly built facility) with a total capacity of approximately 18,000 pallet places. Its main activities include receiving, picking, delivery, and value-added services.



The K&M Style Challenge

K&M Style had to address several challenges in its warehouse and operation:

- ▶ Large range of SKUs with similar appearance which is a high risk for mispicks
- ▶ POS materials changing frequently which is another potential risks for errors
- ▶ Complicated inventory counts
- ▶ Complex orders with a large number of lines
- ▶ Different type of orders – detail picking by unit and large orders shipped by truck
- ▶ Small picking locations due to space limitations, and a large number of SKUs that require effective replenishment management
- ▶ Management of inventory in different warehouses
- ▶ Product status is of major importance: some products are received with a status of “Available,” others with “Pre-labeled” (require additional labeling before picking)
- ▶ Picking method (FIFO, FEFO, etc.) has great impact on operation
- ▶ Short life of the order in the warehouse requires quick preparation, within 30 minutes to 4 hours
- ▶ Long training period required for new workers
- ▶ Need for traceability
- ▶ Need to support BOM for some of the products

When it became apparent that the specially adapted ERP system and spreadsheets used by K&M Style were inadequate for running a complex operation that served global customers with strict demands, they started to look for a best-of-breed WMS that supports the highest standards for logistics management. After one year of market research K&M Style selected the SCEExpert™ suite from Made4net.

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Made4net's Solution: SCEXpert™ Suite

In addition to the operational challenges listed above, K&M Style had to address the following potential implementation difficulties:

- ▶ Implementing the system during the most challenging period, the end of the year, when 45% of the annual business is conducted over few weeks and many new products are introduced
- ▶ Entering a large stock of products into the system (downloading physically all pallets from the racks, labeling with special load ID label, and then uploading pallets back on the racks)
- ▶ Going live without stopping the activity
- ▶ Coping with the ambivalent attitude of the staff (especially of older workers) toward technological changes

Made4net met these challenges and successfully implemented the SCEXpert™ suite, which provides comprehensive supply chain management functionality from warehouse through distribution and transportation to delivery confirmation at customer destinations. The solution included the Made4net WMS module, WarehouseExpert™ for multi-client and multi-facility support, BillingExpert™, and POD capabilities to support a demand-driven supply chain.

The project included:

- ▶ Building interfaces with K&M Style 's customers local systems to import orders directly into SCEXpert™
- ▶ Optimization of all the processes and upgrading of the service level:
 - ▶ Faster receiving and putaway
 - ▶ Obtaining a clearer picture of the inventory by location and status
 - ▶ Easier inventory count and check of customer claims
 - ▶ Definition of picking policies by type of orders and customers
 - ▶ Increased picking efficiency (less time and fewer errors)
 - ▶ Objective traceability
 - ▶ Improved replenishment
 - ▶ Real picture of work load in the warehouse and of worker performance
 - ▶ Shorter training period for new workers
 - ▶ A variety of management reports



Made4net Delivered Results

The benefits that K&M Style gained from the Made4net system include:

- ▶ Managing of proceses become easier and KPIs improved.
- ▶ K&M Style must no longer depend on the specialized knowledge of experienced workers. New employees become operational in a few days owing to the user-friendly system.
- ▶ K&M Style staff have fully endorsed the new system and refuse to work “the old way.”
- ▶ The warehouse is being operated at lower cost and with a higher level of service than before.



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Made4net develops comprehensive and innovative software solutions to enable superior collaborative supply chain execution. Our mission is to help distributors and 3PLs leverage their logistics and supply chain operations by providing them an edge cutting IT solution with our **SCEXpert™** platform.



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