

CASE STUDY

Sprouts Farmers Market Taps into WMS Technology to Strengthen Inventory Accuracy and Quality Control Using Existing Labor Forces



Managing inventory and traceability for perishable products early in the supply chain is especially crucial for Sprouts Farmers Market, Inc., a Phoenix-based grocery chain synonymous with fresh produce and natural and organic foods. In 2011, the use of paper-based processes proved too cumbersome to manage new growth, increased volume and warehouse operations servicing a 40 store retail chain. With Sprouts next-day delivery guarantee for all orders, there was added pressure for inventory accuracy, labor efficiency and quality control.

Recognizing the need to relinquish manual processes, Sprouts adopted the Made4net Warehouse Management System (WMS) and recorded a 32 percent improvement in inventory accuracy in the same six-month period over the previous year.

The added visibility from Made4net's closed-loop WarehouseExpert™ solution allowed Sprouts to control its fresh inventory throughout the entire supply chain - from optimal warehouse placement and automated quality control procedures to shipping accurate store orders.

Implementing the Made4net WMS technology and mobile RF scanners enabled Sprouts to streamline and standardize processes in its distribution centers, which range from 80,000 to 120,000 square feet. Each warehouse had the ability to assign a LPN barcode label to pallets and facilitate detailed quality control procedures for produce to capture a variety of dynamic attributes, including sugar levels and ripeness, to name a few. The decision to automate its quality control procedures with WMS technology reduced human error and allowed Sprouts to gain better insight into grower performance and traceability initiatives.

“The positive effects of having the Made4net solution in our distribution centers was immediate in terms of quality control, labor productivity, absolute inventory control and better fulfilment service to our stores.”

Rodney Bonds • Vice President of Supply Chain • Sprouts Farmers Market



MADE4NET HELPED SPROUTS:

- Improve inventory accuracy by 32%
- Increase picking efficiency by 25%
- Shorten order fulfillment cycles
- Automate quality control procedures
- Increase labor efficiency and productivity
- Control the flow and traceability of perishable inventory
- Support higher fulfillment volumes using its existing labor force
- Dramatically increase order accuracy and improve service to stores

ABOUT SPROUTS FARMERS MARKET

As one of the fastest growing retailers in the country, Sprouts offers a complete shopping experience that includes fresh produce, bulk foods, vitamins and supplements, packaged groceries, meat and seafood, baked goods, dairy products, frozen foods, natural body care and household items catering to consumers' growing interest in health and wellness.

Made4net's WMS solution also empowered Sprouts to increase its picking efficiency by as much as 25 percent. Perhaps more importantly, all of Sprouts' distribution centers have supported higher fulfillment volumes and experienced productivity gains using existing labor forces. In order to ensure labor efficiency and meet order and shipment demands, forklift operators rely on the WarehouseExpert task engine optimizer to move full pallets to the shipping area, as well as replenish picking locations in a timely manner.

Increased efficiencies in the warehouse have trickled down to the store level with locations benefiting from a dramatic increase in order accuracy. The WMS technology enabled Sprouts to efficiently build pallets to its optimal size and weight to improve store delivery services and control distribution costs. The meaningful data collected in the warehouse supported the buyers' effort to better allocate products to stores based upon inventory, shortages and slow moving items.

Today, Sprouts has grown to three distribution centers servicing more than 215 retail locations nationwide. Sprout's expansion success with Made4net's WMS solution has opened the door to implementing additional technology solutions to further drive business improvement for store deliveries and Yard Management.

“For the first time, Sprouts could efficiently replenish products while simultaneously selecting store orders, which has improved productivity among our warehouse staff.”

Rodney Bonds • Vice President of Supply Chain



ABOUT MADE4NET

Made4net is an innovative and leading supply chain execution software provider focused on developing WMS and TMS for medium sized businesses (SMB).

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