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Change
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Using the Pick-to-Light solution, SaraMax processes more than 80,000 units per day at an accuracy rate of approximately 99.75% before auditing. After auditing, orders are fulfilled with virtually 100% accuracy.

Pick a Perfect Pack

SaraMax DC uses **light-directed solution** to improve accuracy, merchandise flow

BY JENNIFER KOROLISHIN

As retailers evolve, so do their relationships with suppliers. Today's retailers are more demanding, and suppliers are finding that they, too, need to evolve to meet a variety of new sets of retailer requirements.

SaraMax Apparel Group found itself in such a situation. Headquartered in New York City, SaraMax is a branded and private-label intimate apparel company, with additional home decor, infant/newborn and men's lines. About 10 years ago, SaraMax shifted from being primarily a seasonal fashion provider to offering stock and replenishment programs as a way of developing closer

partnerships with its retail customers.

"We recognized the need to develop an in-house capability that we did not have," says SaraMax president and COO Stan Greenstein. "As we bid and negotiated for replenishment programs with various retailers, we set up a small distribution group to act as on-site liaison and we outsourced the replenishment operation.

"Doing that enabled us to maintain an effective cost structure for that outsourcing, learn the replenishment business and create a game plan for bringing it back in house and applying current technology to what had been primarily a manual process," he says.

To bring the process in house, SaraMax turned to Rockaway, N.J.-based AL Systems, a provider of integrated so-

lutions that improve the flow of merchandise through distribution facilities.

SaraMax also was motivated to bring its stock and replenishment programs in house by a desire to be part of Wal-Mart's direct store distribution center (DSDC) program, which requires suppliers to fulfill orders on a store-specific basis.

To qualify for the DSDC program, SaraMax needed to increase capacity and accuracy, "which would have required dramatically more labor and real estate with their then-current processes," says AL Systems CEO Paul Lightfoot. Partnering with AL Systems "dramatically improved split-case accuracy and productivity with the DynaPick Pick-to-Light solution," he says.

Changing requirements

The initiative SaraMax undertook is typical among suppliers as retailer requirements for how orders are picked, packed and shipped have become stricter.

Wal-Mart, for example, has evolved to a distribution-driven replenishment business wherein vendors must demonstrate a certain level of capability and competency.

"It became more of a standard way of doing business to require the vendor to demonstrate timely turnaround on an order, do a perfect pack and allow that

order to process through the regional DCs of the various retailers so they can flow merchandise more quickly and effectively to their stores,” Greenstein says.

While adjusting programs to suit retailer requirements results in more and better relationships with retailers, it also helps suppliers reduce costs and streamline operations.

Pick-to-Light is the heart of the operation, electronically directing pickers so that they pick and pack orders in a highly accurate way.

It works like this: an order from a particular store comes into a picker’s zone, along with a pre-labeled carton. Upon entering the zone, locations with the needed SKUs will display the required quantity via a hardware device affixed

without moving your feet, which means that there’s significantly less travel per pick. It enables pickers, without working any harder, to do many more picks per person per hour.”

SaraMax worked with AL Systems to ensure that the installation was ergonomically comfortable for its pickers, and it has added features to its initial solution.

Better view

“We enhanced the audit phases to give us a better view of picker efficiency and accuracy,” Greenstein says. “We were also able to develop velocity analysis of the various SKUs within retailer programs to spread high-velocity SKUs among all of the bays within an induction point ... to level the workload of our staff. That helps us minimize bottlenecks during peak periods.”

Once SaraMax became proficient with the process, it added a system in one other area of its warehouse, and “we’ve been able to turn one of our primary warehouses into a replenishment warehouse, so all of our replenishment programs flow through one DC and use a common solution to support the retailer,” Greenstein says.

The AL Systems solution has dramatically improved accuracy, saved costs and space and helped SaraMax gain acceptance into the Wal-Mart DSDC program three months after deployment.

The solution also gives SaraMax the flexibility to better accommodate its retail partners’ needs, as it can expand and contract zone sizes almost at will without impacting picking efficiency.

“The most important issue is the opportunity for a perfect pack every time,” says Greenstein. “The goal is to exceed our retail customers’ expectations in every aspect of our business, not only in terms of product quality, service and fashionability, but also to execute our business partnerships with retailers as seamlessly as possible.” **STORES**

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“Suppliers will often justify the ROI by reducing the cost of labor,” Lightfoot says. “They may put in a \$300,000 system and in return get \$250,000 in annual labor savings. But often what prompts them to call us is when a big-box retailer to whom they ship merchandise tells them they’re somehow coming up short, usually in the form of chargebacks, late shipments and wrong shipments, which we can help them solve.”

The DynaPick Pick-to-Light solution used by SaraMax is paperless; it uses a light-directed picking technology and offers automation, sortation, RFID and audit functionality.

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orders with two hands instead of one, which is on its own a dramatic improvement in productivity,” Lightfoot says. “But you also are able to see all of the picks at once in your zone, which means if you turn from the carton, and you go to the pick, there are others within reach.

“You can grab them at the same time

to the front of the rack. The picker grabs the correct quantity of the item, puts it in the carton and hits a button, telling the database the pick is confirmed. When all the picks in that picker’s zone are completed, the carton is passed to the next zone.

“You’re now fulfilling