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Advisory Team

# HOW DULUTH MADE THE SHIFT TO FULL OMNICHANNEL DISTRIBUTION WITH TIME TO SPARE

## DULUTH TRADING CO

### WINS

- 5 days early for go-live
- Units shipped in week one exceeded plan by 200%
- First fully automated DC in company history

### AT A GLANCE

- **4** DCs
- **60+** stores
- **$600M** annual revenue

### BACKGROUND

Duluth Trading Company made the decision to move to full omnichannel distribution. They were doing well with retail, wholesale, and ecommerce, and they decided the time was right to optimize their supply chain with a fully automated distribution center to enable their growth. They built a new omni-capable warehouse that would use automation extensively for receiving, picking, and packing, and they turned to outside expertise to help manage the implementation of Manhattan Active Warehouse Management (MAWM) software including the host integration development, quality assurance, configuration, and change management.

### OBJECTIVE

Duluth brought on Summit Advisory Team to take on a project management advisory role and oversee the implementation process. The goal was to make sure Manhattan's MAWM software was configured to align with the DC's operational flow and that it interfaced well with Duluth's existing ERP software and the new Bastian AutoStore solution, identifying and resolving issues along the way. With 160,000 bin locations within the AutoStore, and an additional 77,000 secondary pick and reserve storage locations, the process was extremely complex with many moving parts.

### METHODS

The Summit team managed the project from end to end, working with Duluth, Manhattan, and Bastian to coordinate efforts for a successful completion. The project involved several of the Summit practices, tapping into their broad range of expertise. The team took the following steps to complete the project:

**Design and planning**—To kick off the project, the Summit team laid out the steps all the players would take, ensuring full alignment. They mapped out a project plan and set up the development and test environments they would need to accomplish their goals. During this phase they developed a test approach and strategy and scripted out test cases they would use once implementation was underway.

**Design sessions**—With a plan in place, the team developed the functional and technical design for the project. This meant determining how they wanted the goods to flow and how the system needed to be configured to accomplish it. Manhattan and Bastian needed to make sure their systems worked together well, and the Summit team filled

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the role of advisors and listeners so they could build the necessary integrations and QA test cases based on those discussions.

**Integration development**—In parallel with the functional and technical design, Summit started development for integration. The process included data mapping, making sure systems were communicating, and accurate code development. The development process was ongoing throughout the project.

**Quality assurance**—Once systems were underway, Summit began the testing process to make sure all was working as it should. They executed full end-to-end testing, from product coming into the facility to picking, packing, and shipping, making sure data and statuses were updated correctly. The quality assurance process the Summit team implemented allowed them to ensure that everything was placed where it needed to be and working right, fixing defects as they found glitches to fine-tune the system and make sure the data flow was working well.

**Data capture**—During the course of the project, Duluth determined that they needed a warehouse operations and omnichannel data solution for reporting, dashboards, and KPIs. They wanted a plug-in tool rather than something they would have to build, and the Summit team suggested EasyPost Analytics. The tool gave them greater visibility into their warehouse operations, even giving them the ability to access dashboards from their phones.

**Change management**—Early identification of super users and change champions was key to the training effort. These resources were involved in design, testing and review of training materials. End-user training leveraged hands-on activities rather than a traditional classroom approach, with quick reference guides posted throughout the building for reference. A comprehensive supervisor training program was also implemented to ensure business ownership go-forward.

> "We actually went live early, and that's unheard of in the industry for this type of project. I attribute that to our ability to coordinate well with all the stakeholders and provide incredible support."

**Jay Maurer**
Summit Advisory Team,
Warehouse Operations Practice Lead

## RESULTS

Duluth's new warehouse facility now has dashboards in each functional area for on-floor supervisors to monitor performance. The increased visibility allows them to improve their labor management, measuring productivity by department and user.

The Summit team was able to get all the details of the implementation resolved quickly, finishing the job and going live before the target date. Duluth began receiving at the warehouse several days before expected. They also started shipping five days before the planned date. And though they had planned to start slowly and only reach 8k shipped units on day three, things were running so smoothly, they were able to ship 24k units that day, a 200% increase over expectations.

In addition, Duluth was concerned about a possible backlog of products to process as they got up and running, with several weeks between the onset of receiving and the start of shipping. However, when systems became operational, they were able to process 250k units of existing inventory that was sitting in abeyance on the warehouse floor in only two days in addition to the regular products they were receiving.

"We actually went live early," said Jay Maurer, Summit Advisory Team warehouse operations practice lead. "And that's unheard of in the industry for this type of project. I attribute that to our ability to coordinate well with all the stakeholders and provide incredible support."

The project exceeded expectations, and Duluth is planning to implement similar processes in three other locations in the near future.