Voice-Directed Order Picking - What You Need To Know

Presented by:

Gary Glessner, Speech Interface Design
Nick Kristin, ULTA Beauty
Jimmy Newland, burton + BURTON
Introductions & Agenda Review

- Gary Glessner, VP - Sales & Marketing
  - 4+ years with Speech Interface Design, est. 1993, the most experienced Total Solution Provider of Vocollect Voice-directed work solutions in North America
  - Formerly, 10 years with Vocollect, est. 1987, the global leader in voice-directed work technology & solution platforms, now part of Honeywell
Introductions - Customer Participants

- Nick Kristin, Sr. Manager, Business Process Development
  - 3.5 years with ULTA Beauty focused on Network Expansion
  - 5 years previous experience in Distribution Operations

- Jimmy Newland, Director Information Services
  - 23.5 years with burton + BURTON
Agenda

• Introductions
• Customer Participants
  – Company Overview / Background
  – Journey to Voice-Directed Picking
• “What You Need To Know” - Some Questions for our Customers
• Open Q&A - Your Questions for our Customers
MISSION

We’re on a quest to bring the fun of beauty to all — constantly delighting our guests with all things beauty all in one place while offering rewarding careers for our passionate, beauty-loving associates.

VISION

To be the most loved beauty destination of our guests and the most admired retailer by our Ulta Beauty associates, communities, partners, and investors.

VALUES

- Give Wow Experiences
- Win Together
- Improve Always
- Do What’s Right
- Love What You Do
Bringing the fun of beauty to all with a differentiated offering for 27+ years

**Real Estate Locations**

- 1,058 convenient locations in 48 states, 90% off-mall

**Product Mix**

- 20,000+ SKUs,
- 500+ brands: All Things Beauty. All In One Place™

**Services**

- Full service salon with hair, skin and brow and makeup services
GROWING DISTRIBUTION NETWORK

Fresno, CA DC (2018 Opening)
670,000 sq. ft.
Retail and eCommerce
PPS Retail – 20 (NP); 45 (P)
PPS eComm – 20 (NP); 75 (P)

Phoenix, AZ DC
437,000 sq. ft.
Retail
PPS Retail – 55 (NP); 65 (P)

Romeoville, IL DC
291,335 sq. ft.
Retail
PPS Retail – 35 (NP); 55 (P)

Chambersburg, PA DC
373,075 sq. ft.
Retail and eCommerce
PPS Retail – 50 (NP); 60 (P)
PPS eComm – 20 (NP); 75 (P)

Greenwood, IN DC
670,000 sq. ft.
Retail and eCommerce
PPS Retail – 20 (NP); 45 (P)
PPS eComm – 20 (NP); 75 (P)

Dallas, TX DC
670,000 sq. ft.
Retail and eCommerce
PPS Retail – 20 (NP); 45 (P)
PPS eComm – 20 (NP); 75 (P)

*PPS = Pickers per Shift
Pick Module Layout
ULTA Beauty’s Journey to Voice-Directed Picking

**Picking Goals**

- Reduce eCommerce and Retail Pick hours
- Improve Pick accuracy
- Improve Productivity
- Reduce Rework
- Improve product accuracy for Guests

**Objectives**

- Identify DC Operational improvements that will improve overall building KPI’s

**Voice-Directed Picking**

- Designed process flow that includes scanning with Voice
- Increased the ability for value-added movements during location and pick transitions
- Leverage Voice-Directed Picking for our primary pick function but continue to use RF for specialty roles and workflows

**Key Takeaways**

- Leveraged ROI models in decision-making process to move forward
- Validate projected gains including internal costs to implement to derive all inclusive ROI
- Support Change Management process with communication and documentation at specific milestones
burton®

+BURTON

the TOTAL gift experience®

- Founded in 1982
- Family-owned and operated business
- Employ nearly 300 people
- Corporate offices and warehouse space totaling in excess of 300,000 square feet
- Product Selection includes:
  - Balloons, Gifts, Plush, Supplies, and Containers

The World’s Largest Balloon and Coordinating Gift Supplier®
Our Mission

burton + BURTON® will continue to set the standard of excellence in the balloon and gift industry for customer service, product selection, and quality merchandise.

The Best In Service, Selection, & Satisfaction®
Pick Module Layout

- Size of the picking area = 23,000 square feet
- # SKUs = 14,000
- # Pick locations = 11,000
- # Voice orders per day
  - Non-peak = 1,000
  - Peak = 1,500
- Average lines per order = 15

- Packer Count
  - Non-peak = 21
  - Peak = 28 – actual staff packers
- During busy times may also have additional WH personnel help out packing
- Also incur a fair amount of overtime during peak season.
• Pre-Voice picking environment:
  • Piece/set pick, average order size of 15 lines
  • Paper-based system was slow and prone to errors

Picking Goals

Reduce costs during major economic downturn

Improve Pick accuracy

Improve Productivity

Reduce training time & maximize flexibility of workforce

Set the standard of excellence for customer service

Voice-Directed Picking Results

• May 2009: Transitioned from paper-based picking to Voice-Directed Picking system
• Dec. 2017: Upgraded to latest devices and wireless headsets

Key Takeaways

• In-house error rate reduced by 90%
• Productivity gain of 25%
• $300K annual savings
• New employee training time shortened from 2 days to 4 hours

• Enhanced employee and productivity visibility resulted in reduced managerial oversight time
• Forced us to examine all processes – leading to additional process changes and efficiency gains outside of Voice
What You Need To Know - Some Questions
Open Q&A - Your Questions
For More Information:

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