Answering The DC Labor Challenge With Voice and Mobile Work Execution

Presented by:
Jason Rose, Abercrombie & Fitch
Krishna Venkatasamy, Lucas
Agenda

• Our Format: A Discussion
• DC Labor Challenges And Mobile Work Execution
• Introduction To Abercrombie & Fitch
  – Business and Operational Overview
  – Mobile Work Execution In The DC
• Discussion and Q&A
DC Labor Challenges

46% of DCs have increased wages more than 5%, compared to average US wage growth of 2.3%

- Less than 5%: 18%
- 5 to 10%: 28%
- Greater than 10%: 45%

WHY IS IT HARDER TO FIND WORKERS IN YOUR AREA?

- New Amazon DC In My Area: 39%
- Other New DCs In My Area: 52%
- Competition From Non-DC Employers: 63%
How DCs Are Addressing Labor Challenges

- Process Improvements/Lean Initiatives: 83%
- Software and IT Investments: 66%
- Reconfigure Warehouse: 55%
- Automation and Material Handling Systems: 37%
- Build New DC: 20%
How Mobile Work Execution Meets The Need

- Optimize Hands-on Processes
  - Configurable work planning and execution
  - Flexible, user-friendly voice-directed applications
  - Real-time management reporting and control
- Supplements WMS, LMS, other IT systems
- Complements Material Handling Automation
VOICE AND MOBILE WORK EXECUTION AT ABERCROMBIE & FITCH
About Abercrombie & Fitch

• Leading global specialty retailer of apparel and accessories
• Approximately 850 stores plus 30 websites including www.abercrombie.com and www.hollisterco.com
• DTC 27% of sales, and growing
• Three US Distribution Centers (4 Intl DCs (NL, HK, CN, UAE)
  – Direct To Consumer, New Albany, OH
  – Store Replenishment, New Albany, OH
  – 3PL for DTC, Reno, NV
Direct To Consumer DC, New Albany

- Built In 2006 (Redesigned in 2015)
- Max. daily capacity – 425,000 units
- Manhattan WMOS 2016
- Dematic Automation
  - Conveyors
  - Sorters
  - PutWalls
  - Multi Shuttle
- Lucas Mobile Work Execution and Voice
DTC Operational Issues

• Accurate, on-time delivery is critical
• Increasing shipments
• Seasonal peaks (back-to-school and holidays)
  – Demand volume increase ~10x
  – Workforce increase ~200% across the building
• Approach to mitigate challenges: Implement Voice Picking
  – Simplified training; new hires onboarded at faster pace
  – Increase in picking throughput
  – Improved accuracy with hands free solution
Mobile Work Execution At Abercrombie

• Voice-Directed Picking Using Motorola G4 Smartphones
  – Replaced RF, but incorporates scanning
  – Pick-to fill: utilize greater tote capacity
  – Improve accuracy and efficiency
• Real-Time Reporting and Work Management (Engage)
  – Productivity
  – Exceptions, Work Status…
• WMS, WCS and LMS Integration
Results and Discussion

• Labor Productivity Gains
• Picking Accuracy
• Reduced Training/Improved Retention
For More Information:

Krishna Venkatasamy, Lucas Systems
krishna@lucasware.com
www.lucasware.com

Or visit MODEX Booth 4935