

PEARL DRUMS INCREASES THE BEAT AROUND THE WORLD

with Automated, Scalable
Warehouse Solution

OPERATIONS

Headquarters: Nashville, TN

Distribution centers: 3 in North America,

1 in Europe, 1 in Asia

MANHATTAN SOLUTION

Manhattan SCALE™

The Pearl logo is written in a stylized, cursive font with a registered trademark symbol.

CHALLENGE

Implement warehouse management solution to keep pace with global growth.

SOLUTION

Manhattan SCALE as recommended by Pearl's customer, Guitar Center, Inc.

PROGRESS & RESULT

Volume increased 22% without additional staff; order accuracy has improved; order shipment targets are being met; staff training time has been reduced.

"Since implementing Manhattan Associates' solution, we've experienced a dramatic increase in output. Today, we can turnaround a lot more merchandise at a much quicker pace and the scalability of the solution positions us to effortlessly manage exponential future growth."

RON READ, VICE PRESIDENT OF OPERATIONS, PEARL CORPORATION, USA

PUSH POSSIBLE

 **Manhattan**
Associates®

TURNING UP THE VOLUME

at Pearl Drums

MANHATTAN SCALE SETS THE RHYTHM FOR CONTINUED WORLDWIDE GROWTH

Pearl is one of the world's foremost manufacturers of drums and other percussion-related musical instruments. The company's products range from cowbells to full-blown double-bass rock and roll drumsets, and are used both by students in school bands and by professional musicians across the globe. The highly recognizable Pearl logo can be seen marching across hundreds of school football fields, as well as on CMT, MTV and at concert venues everywhere.

Pearl has made significant strides since its early days in Japan in the 1940s, when it operated as a music stand manufacturing business. The company has successfully emerged at the forefront of today's percussion industry by consistently focusing on the development of cutting-edge products with unbeatable quality. Pearl has always been a leader in incorporating the latest manufacturing equipment into its business, and has invested wisely throughout its history to establish a consumer-focused worldwide sales and service network.

The success of Pearl's product development and its ability to attract customers around the world means that today the company distributes products to 60 countries from numerous distribution points spread across three continents. However, until recently its distribution process was primarily manual, lacking efficiency and scalability. The company realized it needed to automate its distribution process in order to keep pace with global growth. In an effort to effectively service its expanding customer base and gain an edge over competitors, Pearl initiated an evaluation of warehouse management solutions.

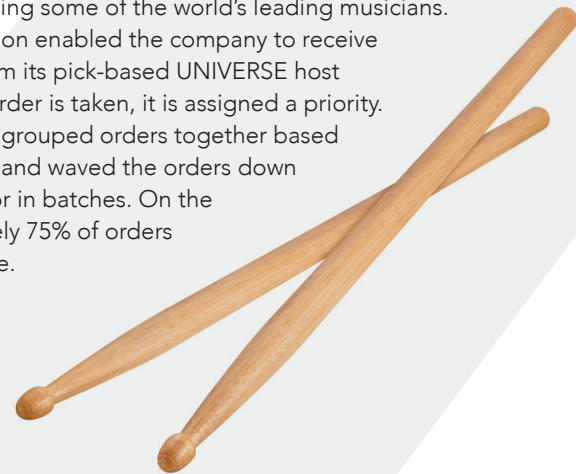
PEARL SELECTS MANHATTAN SCALE AS A PROVEN AND HIGHLY RECOMMENDED WAREHOUSE SOLUTION

One of Pearl's largest customers in North America, Guitar Center, Inc., recommended Manhattan SCALE: Supply Chain Architected for Logistics Execution. Pearl was encouraged by the success its client had achieved with the solution. After a careful evaluation that included discussions with several other customers and various site visits, Pearl decided to implement the Manhattan solution at its Nashville, Tennessee distribution center (DC). If the initial implementation went well, plans were in place to roll the solution out to additional locations.

"We're always looking for niches to gain markets, whether through increased service or product upgrades... and we'll always be able to take advantage of those opportunities because of what a system like Manhattan can do for our business."

Pearl put Manhattan SCALE in place for both inbound receiving and outbound order processing. The company receives two or three ocean containers from factories in Asia and Europe each day. As the containers arrive, all bar-coded goods can be scanned using radio frequency (RF) technology and checked in against advance shipment notifications (ASNs) that Pearl inputs into the system at least 24 hours before the shipments arrive. Pallets are then built as products are received. Each pallet then receives a putaway label and from there, the labels are scanned by putaway operators and the receipts delivered to their storage locations.

Pearl operates in a multi-channel environment, shipping product to wholesalers, retailers, and occasionally to consumers, including some of the world's leading musicians. Manhattan's solution enabled the company to receive orders directly from its pick-based UNIVERSE host system. As each order is taken, it is assigned a priority. The solution then grouped orders together based on priority codes, and waved the orders down to the picking floor in batches. On the floor, approximately 75% of orders are picked by zone.



Shipping the picked items via parcel carrier ensures that orders are shipped promptly as opposed to being placed in the warehouse for consolidation, which would take extra time. It also helps Pearl pickers operate more efficiently, since they no longer have to transport bulky merchandise around the warehouse to keep orders together during the picking process. Other unique picking/packing methods are used to fulfill less-than-truckload (LTL) and truckload (TL) shipments, which make up the remaining 25% of orders.

When the last item in an order is picked and shipped, Manhattan SCALE generates a packing list to be included with the merchandise. This packing list lets the customer know the full order has been picked and shipped, and also indicates whether the order has been completed within a 24-hour period. As a result, the full order arrives at its delivery point extremely quickly—and in a very efficient manner.



MANHATTAN SCALE IMPROVES ACCURACY, EFFICIENCY AND PRODUCTIVITY

Implementation of Manhattan SCALE has provided Pearl with a number of efficiency and productivity benefits.

- Order accuracy has been elevated to the 98-99% range
- Orders ship within 24 hours
- Warehouse staff training has been greatly reduced—from weeks to a few days
- Since installing the system, business has grown approximately 22% without having to hire additional warehouse personnel

To illustrate Pearl's newly increased efficiency and accuracy even further, DCs in Reno, Nevada and Chambersburg, Pennsylvania have increased their volume by 10% and 30% respectively. They have accomplished this using half the number of personnel that would have been required to service those volumes in the Nashville location prior to Manhattan solutions.

PEARL ROLLS OUT MANHATTAN SOLUTION TO SUPPORT GROWTH AROUND THE WORLD

In addition to Manhattan SCALE in use at its three domestic U.S. locations, Pearl is also realizing similar advantages at its facility in Europe and at Pearl Musical Instruments, the company's worldwide headquarters in Japan. This logistics network and Manhattan solutions will continue to be part of the company's strategy for increasing business, improving transit times to customers and controlling freight costs.