

*"This system (Manhattan ILS) has so much potential...It is going to underpin our growth and in my view, it's going to enable us to go from strength to strength."*

Bibs Dalpat, Director of Operations and Logistics  
Skye Clothing & Footwear



Manhattan  
Skye Clothing & Footwear is a Supply Chain Leader  
Associates



**Headquarters:** Johannesburg

**Distribution Centres:**

1 at Crown Mines, Gauteng

**Manhattan Associates solutions:**

Manhattan ILS™: Integrated Logistics Solutions, built on Microsoft® .NET

## Skye Clothing & Footwear takes a big step forward with Manhattan Associates

### Getting Ahead

**S**kye Clothing and Footwear (Pty) Ltd, wholly owned by the L.A. Group, is one of South Africa's most successful distributors of footwear and clothing. Skye distributes international brands such as Converse All Star and Dickies as well as lines such as Millé and Canary Island, across sub-Saharan Africa.

The company undertook a major initiative to move its business ahead of its competitors. It decided to close down its three warehouses, each of which was managed by a paper-based system, and to replace them with a single, state of the art, centralised distribution centre in Crown Mines, Gauteng. Within a year of beginning the project, the new warehouse was built and a new supply chain technology platform in the form of Manhattan ILS™: Integrated Logistics Solutions, built on Microsoft® .NET was in place.

### Challenge:

Moving from three warehouses running on a paper-based system to a single, semi-automated distribution centre at the busiest time of the year.

### Goal:

To streamline the supply chain and move its business ahead of its competitors.

### Solution:

Manhattan ILS to enhance existing Microsoft Dynamics AX ERP platform and give Skye capability to handle all inbound and outbound goods at its distribution centre.

### Results:

Stock-taking times down from 12 days to 2; 80% of orders now despatched within 24 hours; greater visibility, picking accuracy and improved productivity.

### Finding the Right Fit

Once the building work was underway, Skye set about identifying a technology partner who would be able to provide a complete logistics solution to manage the warehouse. The company looked at a number of providers and finally selected Manhattan Associates from a short list of four companies. Bibs Dalpat, director of operations and logistics for Skye Clothing & Footwear, explained the process.

"We came from a wholesale background working with a few international brands. We had managed in the past with very little information technology so this was always going to be a big change for us. We needed a partner who we could really trust to know what they were doing."

Manhattan Associates was selected for a number of reasons, one of the most important being its extensive experience of both the clothing and footwear industries. Not only did Manhattan Associates have excellent international references in these sectors, but one of Skye's largest clients was also using



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Manhattan ILS. Furthermore, Skye was running its back-office enterprise processes on the Microsoft Dynamics AX ERP platform and so needed a supply chain solution that would enhance this existing system and that could be fully integrated with it.

Local supply chain consulting company Supply Chain Junction was appointed to carry out the implementation on the basis of its successful track record in implementing Manhattan Associates' solutions in the South African marketplace. “We had complete confidence in Supply Chain Junction being able to make a complete success of this deployment project,” continued Mr Dalpat. “They had recently carried out a successful implementation in South Africa and had also successfully completed another joint Microsoft Dynamics AX and Manhattan ILS implementation for Kolok, the leading distributor in the printer consumables industry, so we knew that they had the right experience.”

### **Moving Three Into One**

The new distribution centre has a floor space of 15,000 square metres, and uses 15-metre racking, accessed by turret trucks, which have been imported directly from the United States. This allows Skye to make maximum use of the height as well as floor of the warehouse. Without counting the clothing picking area, there is location space for 14,500 pallets.

Skye began the implementation and configuration of Manhattan ILS three months before the completion of the new distribution centre. The physical move to the new premises took place as soon as the building was finished, which was in August, one of the busiest times of the year for Skye.

“It is possible that we may have underestimated some of the challenges of making a major move in a peak period,” commented Mr Dalpat, “Finding time to train staff, many of whom were entirely new to information technology, was not easy, but Supply Chain Junction did a great job and everything worked out in the end.”

### **Reaping the Benefits**

The new system has already delivered widespread benefits to the business. Skye has achieved improvements in picking accuracy and order processing speeds as well as a large reduction in the time taken to perform stock counts.

“Accuracy is extremely important,” states Mr Dalpat. “The new RF scanners that we have are helping to eradicate human error, but accurate information means much more than just this. We used to have to physically walk into the warehouse to be sure of what we had. Now we can get that information straight away from Manhattan ILS. This visibility means that we can plan our picks in advance based on sales orders, and use our resources far more efficiently.”

The time required to manage stock-takes has reduced dramatically. Under the paper system, in which each item had to be manually counted, the process could take anything up to 12 days. Now Skye takes only two days to conduct a complete count and expects this to reduce still further. RF scanners from Psion-Teklogix along with new racking and material handling equipment (MHE) have contributed to the improvement in stock management.

This has also improved the speed of order processing. Picking accuracy and speed have both improved hugely, and Skye has introduced the practice of “cross-docking”, whereby some goods are shipped in and out of the distribution centre in a very short period of time without the need to be put away to a storage location. From an average of three days, 80% of orders are now despatched within 24 hours.

“When it works perfectly, cross-docking is one of the best technology-supported process innovations we’re ever introduced,” says Mr Dalpat. “We still need to streamline some of our processes, and some of our people are still coming up to speed, but as it improves, I can see all of our shipment times coming down to hours rather than days.”