

"Without Manhattan's solutions, we couldn't afford to be in business."

Rocky Ruane, Senior Warehouse Manager
Wirtz Beverage Illinois



Headquarters: Wood Dale, IL

Distribution Centers: 4

Manhattan solutions: Warehouse Management, Slotting Optimization

Streamlined warehouse management refreshes Wirtz Beverage

Inefficient, Paper-based System Obscured Inventory Flow

Wirtz Beverage Group distributes wine, beer and spirits in Illinois, Iowa, Minnesota, Wisconsin and Nevada. The family-run business prides itself on building strong relationships with customers and with leading suppliers and brands such as Diageo, Brown Forman, Jagermeister, Ketel One and Grey Goose.

The Wood Dale, Illinois-based subsidiary, Wirtz Beverage Illinois, operates in all of the states' major markets through distribution centers in Wood Dale, Annex, Bensenville and Elk Grove Village. Founded in 1945, the Illinois subsidiary has grown throughout the last decade through a series of acquisitions. As it grew, the company's paper-based systems increasingly slowed operations and impaired visibility into product movement, ultimately resulting in lost sales through late deliveries and poor inventory awareness.

Following one acquisition the warehouse management system failed. According to Rocky Ruane, senior warehouse manager, "We were choked with returns. The trucks went out late and we had 30-50 trucks returning to the warehouse with up to 100 cases, which we couldn't get back into inventory quickly enough to resell."

Sister Company's Success with Manhattan Inspires Wirtz Beverage Illinois

In the search for a better solution, Wirtz Beverage Illinois' senior warehouse manager, Rocky Ruane, read about Manhattan Associates' Warehouse Management solution and began a dialog with the company. Shortly afterward, the Wirtz Beverage subsidiary in Nevada brought Manhattan on board in its warehouse. Ruane toured the facility and liked what he saw. "We saw what we had at Wirtz Beverage Nevada. We wanted to be more streamlined, more competitive, more efficient and faster and to provide better customer service. We were committed to doing the right thing for our warehouse. We didn't even look at other options."

"We needed to see inventory in real time and have a feel for it as it moved through the warehouse. We knew that we had 48 cases delivered and would know it left when we saw the sale, but we weren't able to watch it move through the warehouse," said Ruane.

Challenge:

Wirtz Beverage Illinois' paper-based warehouse processes could not handle the integration of acquired companies or lines easily.

Solution:

Manhattan solutions provided greater efficiency, reducing lost inventory and lost sales.

Results:

Inventory accuracy reached 100%, picking accuracy rose from 98.9% to 99.95% and throughput grew 22% in three months.

In addition, Wirtz Beverage wanted to reduce the time involved in physical inventories. “We did nine physical inventories a year, all day Friday and Saturday. With 25-30 people at time and a half, it cost significant money. Our sister company in Nevada had 1-1/2 people doing cycle counts 8-10 hours a day and hadn’t done a physical inventory in years,” said Ruane.

Manhattan and Wirtz Beverage Illinois Serve Up Smooth Implementation

Wirtz Beverage Illinois decided to implement Manhattan’s Warehouse Management solution first to address inbound processes in the Wood Dale and Annex warehouses, then to extend it to the inbound and outbound processes at the Elk Grove warehouse. “The implementation went really smoothly,” said Justin Soltis, warehouse manager, Wirtz Beverage Illinois. “We were able to utilize Manhattan training for four days with the full staff. They did a great job of training, so everyone was well prepared.”

The Manhattan solution needed to integrate with Wirtz Beverage Illinois’ legacy DISC system, for which there were no prepared interfaces. In addition, it integrated with Lightning Pick and the scanning system. “Integrating with the existing systems posed no real challenges. The pick-to-light integration was seamless,” said Al Woljik, IT director.

Post-implementation, Wirtz Beverage Illinois doubled its volume through the acquisition of brands previously represented by a competitor that went out of business. To prepare for the additional volume, the company “added the Bensenville facility and implemented Warehouse Management. The transition was a 300%-400% improvement” compared to previous consolidations using the old paper-based system, according to vice president of operations Art Wirtz.

Accuracy Reaches 99.95%, Throughput Rises 22%; Happiness with System Approaches 100%

Since implementing the solutions, Wirtz Beverage Illinois reports that “accuracy for picking went from 98.9% to 99.95%. Throughput grew in three months by 22%. There were no issues with the addition of two lines with the new company. We know where the product is and what the inventory levels are. We are 100% happy. The Manhattan solutions did everything we wanted,” said Ruane.

Inventory accuracy has dramatically improved. “Once we went to cycle counting in the warehouses, we’ve been 100%. We can see a discrepancy right away and can count and rectify it,” said Ruane. The company continues to conduct physical inventories at the

Elk Grove facility because of the constant flow of inventory. Wirtz Beverage Illinois has seen notable increases in efficiency there, also, since the implementation of Manhattan’s Warehouse Management. “We’re doing inventory in less than eight hours and finishing Friday at 10:00, where we used to work all day Saturday, too,” added Ruane.



“Accuracy with Warehouse Management went from 98.9% to 99.5%; throughput grew in three months by 22%. There were no issues with the addition of three lines with the new company launch. We are 100% happy. The Manhattan solutions did everything we wanted.”

Rocky Ruane
Senior Warehouse Manager, Wirtz Beverage, Illinois



“We probably achieved payback on the system in year two. We were more efficient right away. The system improved our replenishment and return processes and enabled us to make receiving and putaway much quicker,” noted Wirtz.

Ruane recently toured the Wirtz Beverage Illinois facility in Peoria. “Just putting the replenishment component in place in Peoria will cut the time spent in replenishment at least in half. They may be working two or three hours determining what needs to be replenished and where to go to do it. With Warehouse Management, we know within 20 minutes.”

“Error identification lets us catch product that has been tagged wrong, too. Previously a customer might keep a case that was more expensive than what they ordered and just return it if the misdelivered product was cheaper. Now we can just scan the product as it’s labeled, so we don’t lose money on those errors,” added Ruane.

In addition, Ruane noted that Manhattan’s Warehouse Management has allowed the company to keep pace with the demands of the business. “We’re doing just-in-time for cases coming in. I got an email today saying that a customer needs four cases that we’re receiving on Friday to be delivered Friday afternoon. We wouldn’t have been able to do that before. Just offloading used to take 1-1/2 to 2 hours, now it takes 30-40 minutes and shows up in inventory right away.”

“I can’t imagine if we were still paper based and trying to replenish 3600 locations and multiple warehouses. Without Manhattan’s solutions, we couldn’t afford to be in business,” said Ruane

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