

# SUPER RETAIL GROUP SUPPORTS MULTI-CHANNEL APPROACH

with Manhattan Associates

## OPERATIONS

DCs & locations: 5 DCs - Loganlea & Lawnton, Queensland (x 2); Melbourne, Victoria; Forrestfield, Western Australia; Auckland, New Zealand

## MANHATTAN SOLUTION

Warehouse Management & Supply Chain Intelligence



## CHALLENGE

Super Retail Group needed to review its existing distribution network strategy to accommodate its expanded brand portfolio and facilitate company growth.

## SOLUTION

Manhattan WMS selected for flexibility including its ability to integrate with multiple-vendor business systems; as well as its scale and software upgrade potential, which could support the company well into the future.

## PROGRESS & RESULT

Creation of a new distribution network that supports the company's position as a leading player in the sporting and outdoor leisure retail sector, across multiple brands and multiple channels; move towards a global sourcing model & store-ready shipment supporting omni-channel requirements.

"Manhattan has exceeded our expectations across the board and more importantly has surpassed our ROI targets. We look forward to working with them into the future as we explore additional capabilities to support our expanding multi-brand, multi-channel operation."

GRAHAM CHAD, GENERAL MANAGER, GROUP LOGISTICS, SUPER RETAIL GROUP

# A NEW DISTRIBUTION NETWORK

at Super Retail Group

## SUPER RETAIL GROUP SUPPORTS EXTENSIVE RETAIL BRAND PORTFOLIO WITH STRATEGIC DISTRIBUTION NETWORK

Super Retail Group is one of Australasia's top 10 corporate retailers and is listed on the Australian Stock Exchange. The Group comprises eight retail brands: Amart Sports, BCF Boating Camping Fishing, Goldcross Cycles, FCO Fishing Camping Outdoors, Ray's Outdoors, Rebel, Supercheap Auto and Super Retail Commercial. Established in 1972 and publicly listed in 2004, the Group has grown to become one of Australasia's leading specialty retailers with over 585 stores and annualised turnover in excess of \$1.9 billion.

With operations in Australia, New Zealand and China, Super Retail Group's success is underpinned by its ability to deliver great value, choices, products and service to its customers, across each brand. Supported by more than 11,500 employees, the company continues to achieve phenomenal growth through a combination of strategic endeavours—not least of all its continued focus on new product introduction, sourcing and supply chain initiatives, and the further development of its integrated multi-channel customer offering (brick-and-mortar stores, online, via mobile devices).

In alignment with the company's plans to double the size of its business within a five-year timeframe, a new business model was developed which involved a complete review of the company's supply chain operations with an underlying aim to create a customised distribution network based on retail best practices. Having previously only operated one major national distribution centre (DC) based in Queensland, the company now also operates a second DC in Brisbane, a DC in Victoria, a transit DC in Western Australia as well as a DC in Auckland, New Zealand.

The growth in the number of DCs operated by the company has followed a series of significant acquisitions, increasing Super Retail Group's retail brand portfolio from four to eight in just a few years. This rapid increase in the company's product mix has created increased complexity across its SKUs. The company wanted to streamline its operations by creating common SKUs across different brands.



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The challenge for Super Retail Group was to create a new distribution strategy incorporating a series of internal multi-user distribution centres so that inventory from all eight business units could be managed across each distribution centre.

Previously each brand was siloed, meaning products from each brand and replenishment of those products were being sourced independently. Having full visibility of inventory for more than 15,000 (will increase to over 50,000 as full brand ranges convert to DC) products—across eight brands and distributed throughout three countries—required a best-of-breed warehouse management solution with the flexibility and scalability to grow with the business across international markets. It also required a supply chain solution that could integrate with legacy IT systems from across all eight brands, which could then eventually be transitioned onto one central WMS platform.

“We wanted to develop a distribution network that could meet the specific needs of our company,” explained Graham Chad, General Manager, Group Logistics at Super Retail Group. “It needed to be customised for the Group's requirements, which included multi-user distribution centres that could accommodate inventory from each business division.”

Ultimately the company wanted to pursue a new strategy to support its position as a leading player in the automotive aftermarket, sporting and outdoor leisure retail sector, across multiple brands and multiple channels. As part of this approach, Super Retail Group's aim is to push beyond traditional retail sales channels such as brick-and-mortar stores, to online sales by implementing proven, industry-leading software solutions.



## MANHATTAN ASSOCIATES SUPPORTS MULTI-USER OPERATIONS ENVIRONMENT

Having successfully utilised Manhattan Associates' Warehouse Management Solution for IBM i for a number of years, Super Retail Group made the decision to upgrade to Manhattan's Warehouse Management solution for Open Systems (WMOS) which forms part of the Manhattan SCOPE® suite of solutions. (Manhattan SCOPE®: Supply Chain Optimization...Planning through Execution)

"We made a systems-based decision to move to the Open Systems solution. We had undergone a major transformation in terms of our architecture so it made sense to introduce a solution that offered the flexibility to support our business well into the future," said Chad. "WMOS also offers several interfaces, which makes it extremely easy to integrate with other core systems operated throughout the business, including our ERP system. It also offers tailored interfaces around goods and shipments, and information around master data including customers and products," said Chad.

Commenting on the company's decision to extend its engagement with Manhattan Associates by moving to the WMOS, Chad explained, "Manhattan Associates has been a strategic business partner of Super Retail Group for a number of years. We made the decision to continue to invest in their product offerings for three crucial reasons, including: the credibility and scalability of their solutions; the ongoing strategic support they offer; as well as the extensibility of their solutions portfolio, which gives us the option to implement additional capabilities as and when required."

Following the implementation of Manhattan's WMOS at the company's central distribution centre, Super Retail Group conducted a network analysis study, which found that its distribution centres needed to be much more closely aligned, especially in high demand areas. The company has now

successfully rolled out Manhattan's WMOS to its entire distribution centre network throughout Australia and New Zealand. The company plans to open a massive 485,000 sq ft DC in Brisbane (consolidating its two existing DCs in Queensland) as well as a new DC in Sydney in 2014, which will all be fully functioning multi-brand/multi-channel centres.

Chad commented, "Manhattan Associates does not compromise on support for its customers. It has, and continues to provide incomparable support to our company. Due to the collaborative and unified approach we have with Manhattan Associates, all software implementations and upgrades have been fulfilled seamlessly as a result of advance planning."

## SUPER RETAIL GROUP INTRODUCES GLOBAL SOURCING MODEL AND STORE-READY SHIPMENTS

Super Retail Group considers Manhattan's Warehouse Management solution to be among its core business systems, without which it would not be able to maintain its current status as one of Australasia's top retailers, operating across multiple brands and multiple channels. Super Retail Group has found WMOS particularly helpful in supporting various aspects of its business, including improved accuracy in terms of inventory management, as well as delivery turnaround times and transportation management across the board.

Importantly, Manhattan's WMOS has helped Super Retail Group create a series of internal multi-user distribution centres so that inventory from all eight brands can be more effectively managed across each distribution centre.

"Manhattan's WMS has given us the opportunity to remove physical demarcation lines associated with each brand throughout our DC operations. With each acquisition we have made over recent years, we adopted a process of receiving stock and transferring it into a specific zone of our distribution centre.

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WMOS gave us multi-user capabilities under our DC operating environment. Having multi-user sites now enables us to support inventory for multiple business divisions, reducing lead times to stores and assisting overall growth,” said Chad.

The next step for Super Retail Group is to implement a hierarchy across each of its critical business systems including ERP and WMS so the company can create a single instance of each major business system type and then have those integrated. In the current multi-user DC environment, using the company’s legacy hierarchy, there could be as many as five interfaces for five different brands; under a single instance, Super Retail Group will be able to operate using one interface for all brands.

Given the company’s rapid expansion, each brand was previously siloed. Products from each brand, and replenishment of those products, were being sourced autonomously and in most cases they were coming from China. Group sourcing or group supply as it is also referred, gives the ability to have multiple purchase orders in a single container for multiple brands. This enables Super Retail Group to fulfill aggregated demand.

“With a global sourcing model, we also wanted take advantage of store-ready shipments, which are key to our multi-brand / multichannel strategy,” said Chad.

Subsequently the company investigated the possibility of moving to a global sourcing model, enabling it to implement store-ready shipments. Having store-ready shipments prepared by a supplier gives Super Retail Group the flexibility to have such goods crossdocked at the DC or even routed directly to a store so bypassing the DC altogether.

“Store ready shipments, which we refer to internally as ScanPack, is a delivery method we are currently using. At origin each carton is packed for store requirement, and is subsequently given a label. That label is used from origin through to store receipt. These goods can then be easily cross-docked at a DC or potentially go straight to a store or be delivered to a consumer’s home. This is already happening today as a result of our acquisitions of

Rebel and Amart, which both have an online sales presence—and because they have a large category of apparel. These acquisitions gave us the impetus to develop the ScanPack delivery method, which is supported by Manhattan’s WMOS,” said Chad.

In addition to WMOS, Super Retail Group has also leveraged Manhattan’s Supply Chain Intelligence solution. “The Supply Chain Intelligence component of Manhattan’s solution portfolio has enabled us to stabilise our distribution network by giving us greater visibility of our true base line,” explained Chad.

He concluded, “Super Retail Group considers Manhattan Associates a part of its broader logistics team. We work collaboratively and adhere to strict deliverables and outcomes. Manhattan has exceeded our expectations across the board and more importantly has surpassed our ROI targets. We look forward to working with them into the future as we explore additional capabilities to support our expanding multi-brand, multi-channel operation.”

Super Retail Group is currently exploring the possibility of leveraging Manhattan’s Slotting Optimisation and Labour Management solutions.

**Overall Benefits:**

With Manhattan’s WMOS, Super Retail Group has been able to achieve the following benefits:

- Reduce inventory levels and ensure higher order accuracy
- Improve scalability to efficiently handle demand for its diverse and growing product lines and increasing order volumes
- Creation of a new distribution network, that supports the company’s position as a leading player in the Automotive aftermarket, sporting and outdoor leisure retail sector, across multiple brands and multiple channels
- Support the company’s move towards a global sourcing model and store-ready shipments supporting omni-channel requirements
- Exceed ROI targets time and again