CUSTOMER CASE STUDY

"Without Manhattan's Warehouse Management solution, we could not have achieved the growth we have to date. The scalability of the solution has allowed GUESS? to target our systems and processes to the ever-evolving world of retail and wholesale distribution."

Tom Boyle, Project Manager
GUESS?

GUESS
BY MARCIANO

Headquarters: Los Angeles, CA

Warehouses: 4

Platform: IBM i

Manhattan Associates solutions:
Warehouse Management

RF equipment: Motorola

Challenge:

GUESS?'s distribution center was insufficient to meet rapidly growing demand and unable to reach most customers efficiently.

Solution:

By implementing Manhattan Associates' Warehouse Management, GUESS? expanded its supply chain network globally, gaining the flexibility to manage multiple channels in several configurations for increased order efficiency and accuracy, and reducing per unit costs.

Results:

GUESS? gained economies of scale and in-house expertise by virtue of a single solution system-wide. GUESS? reduced inventory time by 83%; dramatically improved accuracy; increased shipping volumes 30%-40% per year; decreased handling costs; and increased efficiency and productivity.

Warehouse Management helps GUESS? makeover its warehouse and distribution system

Guess? is a Supply Chain Leader

Manhattan Supply Chain Software Fashions Solutions for Global Distribution Network

In 1981, the Marciano brothers set out to change the perception of jeans forever by launching the GUESS? clothing line. Retailers were skeptical, but after a leading retailer's sample order sold out in hours, retailers around the globe changed their minds about denim and GUESS?.

Today, GUESS? is one of the most widely recognized brands in the world. It sells its lines through more than 300 retail specialty stores, a wide range of department stores and online. In addition, it licenses its name for many accessories, including eyewear, footwear, jewelry and watches.

The company's success placed great pressure on its distribution and warehouse management capabilities. In 1999, most customers were east of the Mississippi and being served by one DC in Los Angeles, California. This geographic challenge—combined with the fact that the DC was "exploding at the seams" due to increased demand—prompted GUESS? to revamp its distribution network.

GUESS? Takes the Sure Path with Manhattan's Warehouse Management

With guidance from KSA, a premier global management consulting firm, GUESS? opened a new DC in Louisville, Kentucky to serve as a prototype for upgrades to the Los Angeles facility. KSA recommended using an advanced warehouse management system to run the new location. GUESS? initiated a relationship with Manhattan Associates, based on the strength of Manhattan's supply chain software and its reputation as the warehouse management expert for retailers and consumer goods manufacturers shipping to retail.

Manhattan SCOPE®

> *GUESS?'s management states that "accuracy has gone through the roof" since the implementation of Manhattan's Warehouse Management solution.*

Manhattan Supply Chain Software Stretches To Meet Changing Needs

Manhattan's supply chain software has been flexible enough to support several different inventory methods for GUESS?. At one point the company mixed all multi-channel inventory together. Today, the company segregates wholesale and retail (including direct-to-consumer) inventory to better support its company structure as two business sectors under separate P&Ls.

Each business unit within GUESS? utilizes an independent host system: Jesta I.S. (formerly Essentus) for wholesale and JDA for retail. When the two businesses shared inventory, retail orders from JDA were passed to Jesta and then sent to Warehouse Management for fulfillment. This offered more control as inventory was allocated from wholesale to retail, giving the wholesale business preference on inventory at crunch times.

Today, with wholesale and retail inventory physically separated, GUESS? can interface each of its host systems directly with the Warehouse Management solution. Because direct-to-consumer inventory is mixed with retail, consumers can purchase goods online and return them at a store. The flexibility helps GUESS? present a unified brand to its multi-channel customer base.

Accuracy Goes Through the Roof as Shipping Increases 30% per Year

The Louisville DC and its warehouse management system have been so successful that GUESS? closed the LA facility and opened an additional location in Montreal, Canada as well as two 3PL sites in Hong Kong and Shanghai. All use Manhattan Associates' supply chain software based in Louisville and managed and administered in Los Angeles. Implementing the Warehouse Management solution produced significant benefits including:

- Increased inventory accuracy—Every unit is tracked in real time, ensuring that the right goods ship to the right locations every time. GUESS?'s management states that "accuracy has gone through the roof" since the implementation of Manhattan Associates' Warehouse Management solution.
- Increased order processing scale and speed—Since an initial ramp-up period, 30%-40% more inventory is shipped year over year. Today, the company processes more than 30 million units annually, more than 21.5 million from the Louisville location.
- Lower per unit cost—A newly implemented bombardier sorter and Put to Light system were both easily integrated with Warehouse Management, resulting in a $1.3 million savings in 2009.
- Decreased handling costs—Multiple weekly store orders have been trimmed to one/week by consolidating products from multiple divisions into a single order.
- Increased efficiency and productivity— Physical inventory now takes just 12 hours, down from up to three days.

Tom Boyle, project manager for GUESS? says, "Without Manhattan's Warehouse Management solution, we could not have achieved the growth we have to date. The scalability of the solution has allowed GUESS? to target our systems and processes to the ever-evolving world of retail and wholesale distribution."

In addition to enabling GUESS?'s DCs to do more with fewer people, Boyle points out that Manhattan's supply chain software has provided economies of scale and in-house expertise by virtue of a single solution system-wide, and consistent, reliable global operations. These benefits have given the company a new level of control and efficiency, and enabled it to continue delivering products and services of uncompromising quality.

Learn more about Manhattan Associates and our solutions:
North and South America +1 877.596.9208 • Europe, the Middle East and Africa +44 (0)1344 318000
Asia Pacific +61 (0)2 9454 5400 • www.manh.com

© 2013 Manhattan Associates, Inc. All rights reserved.

Manhattan Associates®
supply chain commerce delivered™