

VELOCITY VIDEO CASE HISTORY

A DC VELOCITY SPEED CHALLENGE

The great indoors

Outdoor products retailer L.L.Bean underwent major process changes to its distribution environs with amazing results.

IT'S RARE FOR A COMPANY THAT IS KNOWN FOR its engineering and design skills to turn down the opportunity to design and build a new automated facility, but sometimes it is the right decision.

Such is the case with Fortna's work with its client L.L.Bean. The Freeport, Maine-based outdoor products retailer was reaching the limits of its distribution capabilities a few years back. The company was operating two facilities at the time, both located in

Freeport. One handled retail distribution, and the other filled e-commerce orders.

Being located in Maine means most products have to travel farther to reach customers nationwide. That requires efficient processes for picking and packing orders to make up for the additional transportation, time and cost. Concurrently, L.L.Bean was experiencing growth in both its e-commerce and store sales.

L.L.Bean felt the obvious solution would be to build an additional automated facility, possibly located somewhere other than Maine, to reach customers quickly and remain competitive in the online world. They asked Fortna to perform an assessment of their supply chain. The results were a bit shocking.

"Fortna proved to us that we had a lot more space and a lot more opportunity right here in our current building, without making a large investment in another facility," says Jack Samson, vice president of fulfillment, manufacturing, and logistics at L.L.Bean.

L.L.Bean simply needed to make some changes in systems and processes to fully utilize their internal capabilities. Transition planning began in 2016, and the project was completed in phases over the course of the next two and a half years, mostly during non-peak months.

Even so, good project management was essential, as fulfillment had to continue throughout the transition. "It was like running a marathon and having a heart transplant at the same time," quips Samson.

MAINE SQUEEZE

The key part of the transition was consolidating the retail fulfillment into the 1.2 million-square-foot e-commerce facility and then changing about

90 percent of the building's processes with new or revised software and automation to support both channels.

Fortna partnered with a number of leading solution providers on the project. Manhattan Associates upgraded the warehouse management system. The facility had a large tilt-tray sorter with 389 trays. However, the sorter only diverted to one side. Retooling the system allowed trays to tilt to both sides, doubling capacity.

Fortna helped L.L.Bean integrate the various systems, including conveyors, merges, and diverters. New pack stations were also added with put-walls to accumulate orders and allow for more efficient batch picking. And a three-story pick module, originally built in 2014, was further utilized to replace manual order selection from high-bay racking.

By consolidating operations into a single facility, the total inventory was reduced and more easily managed. "It impacted our minimums as well as our safety stocks," notes Michelle Stash, director of engineering, PMO, quality, inventory

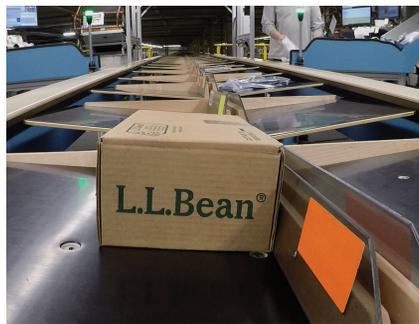
control, and safety.

Batch-picking orders and efficiently packing them also reduced the reliance on temporary seasonal labor, which continues to be very difficult to find in an area with low unemployment. In most cases, orders can be out the door the same day, which helps L.L.Bean meet customer commitments and delivery expectations.

A GOOD FIT

Originally, L.L.Bean had projected that the transformation would allow the company to remain in the facility for five years. However, the process changes have been so effective that the building should support distribution for at least 10 years.

"I think one of the things that I liked most about working with Fortna was the ease of it. Culturally, they were a good fit for L.L.Bean," says Stash. "The results have been amazing. And we have lots of opportunity from here to continue to look at our systems, our equipment, and our processes to be even more productive and efficient to reduce our overall costs."



To see a video of the process transformation that has taken place at L.L.Bean, go to dcvtv.com and click on the Velocity Video on Channel 2. For information on Fortna, please visit www.fortna.com.