BLUE◈LINK

Learn how Snuggle Bugz implemented wave picking with consolidated pick slips to optimize its warehouse and improve the picking, packing and shipping of web orders.

Snuggle Bugz – At a Glance

Snuggle Bugz is a Canadian owned and operated retail business, distributor, and eCommerce company dealing with baby and children's products.

www.snugglebugz.ca

Situation

Established in 2006, Snuggle Bugz provides quality products for new parents through early pregnancy to young childhood. Snuggle Bugz currently operates 8 retail outlets, a wholesale division and an eCommerce site.

Challenge

As a growing, omnichannel business, Snuggle Bugz has faced various challenges over the years. One of the biggest challenges has been around managing inventory in the warehouse and optimizing the pick, pack, and ship process. On the eCommerce side of the business, most items are sold as part of one-off orders, which requires employees in the warehouse to quickly pick multiple single items for various orders, which is a time consuming and resource-laden process.

Solution

The solution for Snuggle Bugz was to work with its existing ERP software provider, Blue Link ERP, to modify processes in the warehouse by implementing wave picking using consolidated pick slips.

Result

As a result of working with Blue Link to optimize warehouse processes, Snuggle Bugz has drastically decreased the picking time and reduced the travel time of employees in the warehouse. Blue Link has also provided Snuggle Bugz easy access to information about sales and purchasing to help the company make informed decisions.
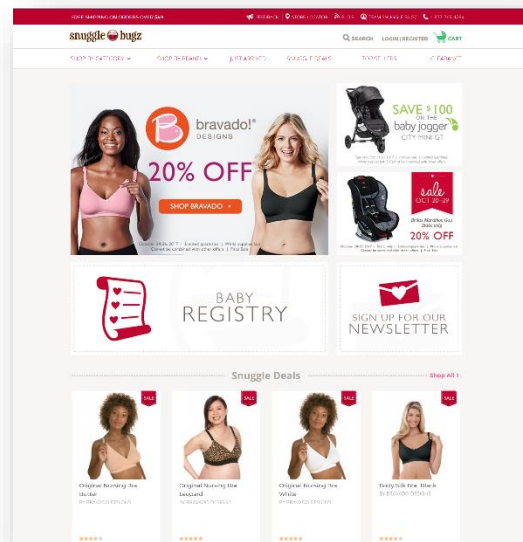
Situation

Established in 2006 by husband and wife team Ben and Tanya, Snuggle Bugz started out as a single retail outlet and office. With a vision to provide a quality baby store where new parents could feel comfortable asking questions and discovering new products, Snuggle Bugz has been helping parents, friends, and family find the right products at the right time through early pregnancy to young childhood. It is this philosophy that has allowed Snuggle Bugz to grow over the years, and the company now operates more than 8 retail outlets across Canada, a wholesale division, plus an ever-expanding eCommerce store. Snuggle Bugz products include apparel, bath and potty items, feeding and teething products, gear for safety, transportation and play such as car seats, strollers and playards, nursery décor, furniture, health and safety products and more.

Ben Burmaster, Founder, Snuggle Bugz, has a background in technology and development and has used this to his advantage over the years, implementing powerful software to manage business processes.

Challenge

As a growing, omnichannel business, Snuggle Bugz has faced various challenges over the years. One of the biggest challenges was around managing inventory in the warehouse and optimizing the picking, packing, and shipping process. Due to the nature of the business, Snuggle Bugz deals with a lot of different types of inventory – from small, fast-moving items to larger items requiring a forklift to access and move. On the eCommerce side of the business, most items are sold as part of one-off orders, which requires employees in the warehouse to quickly pick multiple single items for various orders. The challenge facing Snuggle Bugz was the ability to easily navigate its warehouse to quickly pick, pack and ship these web orders. The company was wasting valuable resources on picking multiple single line orders and strict shipping guidelines added to the complexity of managing inventory, as different shipping carriers require different skid types. For example, Canada Post requires plastic skids, whereas FedEx requires wooden skids. This was complicating the receiving and packing process and causing delays in the shipping of goods. Prior to working with Blue Link, Snuggle Bugz developed custom functionality to consolidate orders based on pick location, but this still required users to manually choose orders.

Lastly, Snuggle Bugz was looking for the ability to quickly report on important information to better understand areas for improvement and opportunities across the business. As the company continues to grow it is important to be able to quickly get relevant information in order to make decisions and further optimize processes.

Challenges:

Inventory Management in the Warehouse

Picking, Packing and Shipping of eCommerce Orders

Reporting Across All Business Areas

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Solution

The solution for Snuggle Bugz was to work with its existing ERP software provider, Blue Link ERP, to devise a plan to optimize the warehouse and picking, packing and shipping process. As a trusted business partner, Blue Link has worked with Snuggle Bugz for the past 7 years, not only managing the company's back-end ERP software requirements but also working with them to optimize internal business processes across the different company departments. Because of the great relationship between Snuggle Bugz and Blue Link, it was obvious to work with Blue Link to develop a plan for moving forward. Working with Blue Link consultant, Mike Miner, Ben Burmaster and the Blue Link team created a plan for dividing the warehouse space into zones, creating consolidated pick slips for wave picking and automating the creation and distribution of specific reports. Although Blue Link provides advanced Warehouse Management Software functionality as an optional component, this was not required to address the concerns of Snuggle Bugz. Instead, using some built-in Blue Link ERP tools and with the help of Consultant, Mike, Snuggle Bugz was able to achieve its goals, without needing to purchase additional software or features.

WAREHOUSE ZONES

The first step in addressing the concerns of Snuggle Bugz was to divide the warehouse into different zones. In this case, it was 5 zones, broken down as follows:

> Zone 1. Small fast moving items
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> Zone 2. Slower moving items
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> Zone 3. Slowest moving items
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> Zone 4 & 5. Large items

Zones 1, 4 and 5 are located on the ground floor of the warehouse and Zones 2 and 3 on the second floor.

CONSOLIDATED PICK SLIPS

The next step was to create Consolidated Pick Slips (CPS) to be used as part of the picking process. After working closely with Ben, Mike created a CPS report that organizes product by zone and first looks for single line orders for a product where the total quantity sold is >= 15. This specific parameter was configured within Blue Link's Automated Routines Manager (ARM) functionality. The system then automatically looks to see if there are orders that meet this criterion, and if so, creates a single product CPS. Then the system creates pick slips for the rest of the orders that only have items in the zone selected, regardless of quantity. All consolidated pick slips are ordered by bin and shelf location. If an order has product on it from more than 1 Zone, that order does not get included on the CPS - this ensures an order is never split across multiple pick slips. Snuggle Bugz specifically chose to use 15 for the number of lines, but this number can be continuously modified based on a company's specific needs.

The information on the CPS also includes the courier for each order as different couriers go to different packing stations and require different packing methods. This means large items are picked directly to correct skid type.

REPORTING

As part of its plan to optimize warehouse processes, Blue Link also worked with Snuggle Bugz to create a bunch of meaningful reports. The reports created are as follows:

Sales Quantity Trend

The first report called Sales Quantity Trend shows the trailing 12 month sales quantity by product code for all active inventory. This allows Snuggle Bugz to easily see trends in sales to make decisions around which product to stock and how to organize items in the warehouse.

Purchase Quantity Trend

The second report shows the trailing 12 month purchase quantity by product code for all active inventory. This information helps Snuggle Bugz make informed purchasing decisions and allows them to easily compare purchasing with sales.

Dead Stock

The Dead Stock reports lists items not sold in the last 2 years that are currently in stock. Dead stock items tend to drain resources and cost money, and so it is important to know what items make up the dead stock to best figure out what to do with them.

Inactive Items Not Flagged

The Inactive Items Not Flagged report looks at active items not sold in the last 2 years where there are none left in stock.

Annualized Profile Report

The Annualized Profile Reports helps Snuggle Bugz determine how much space to assign to a given product in Zone 1 of the warehouse.

Result

As a result of working with Blue Link to optimize warehouse processes, Snuggle Bugz has drastically decreased the picking time for orders and reduced the amount of travel time for employees in the warehouse. The information on the CPS also saves employees from having to reload skids for the carriers that have specific skid requirements. The reports developed allow Snuggle Bugz to easily make decisions around purchasing and sales, and helps them organize items in the warehouse in the most efficient way possible.

Snuggle Bugz will continue to work with Blue Link into the future to further optimize warehouse processes based on additional information. Future process improvements include:

(1) Determining the most optimized number of pick items per CPS

(2) Ability to incorporate requested ship date into the prioritization of picking

Conclusion

Warehouse is divided into zones

Consolidated pick slips allow employees to pick multiple orders from the same zone

Blue Link generates a series of sales, inventory and purchasing reports

BLUE ◆ LINK

INVENTORY AND ACCOUNTING ERP SOFTWARE

With a focus on small to medium size businesses, Blue Link strives to help companies grow and improve their processes by providing innovative solutions to complex problems – without the large price tag. Blue Link consultants work closely with customers to identify solutions to improve internal processes, without the need to implement additional pieces of software or buy extra features.

✓ **Grow Your Business** with a fully integrated and automated system
✓ **Decrease Costs** with better inventory management
✓ **Save Time and Reduce Errors** with automated processes across all business operations

WANT TO LEARN HOW YOU CAN BECOME A SUCCESS STORY?

If you're interested in improving processes, automating your warehouse and growing your business, contact us.