



# Liz Claiborne And SDI Consulting: A Retail Distribution Case Study That Delivers With Style.

## How Liz Claiborne Ships To Over 26,000 Retail Locations.

Liz Claiborne, Inc, with annual sales exceeding \$3.4 billion, is one of the top fashion design firms in the world. The Company's portfolio of 26 brands span most apparel and non-apparel categories, reaching consumers regardless of age, gender, size, attitude, shopping or value preference. Liz Claiborne's brands are available at over 26,000 different retail locations throughout the world, including virtually all upscale, mainstream, promotional and chain department stores, the Company's own specialty, outlet stores, and E-commerce sites.

## The Demands Of Keeping Up With Daily Fashions Take On New Meaning.

Since the company's founding in 1976, the company met its ever growing distribution requirements with additional facilities duplicating the original distribution processes and designs. While meeting the demands of the company, the network did not take advantage of the economies of scale that could be achieved for a multi-billion dollar company.

Three fundamental shifts in the industry further complicated distribution operations. First, Liz Claiborne's retail customers eliminated the services performed in their own distribution centers, moving the burden to their suppliers, and charging millions for compliance errors.

Secondly, a massive consolidation in department store segment caused a concentration of shipping volumes into smaller and smaller periods of time. As a consequence, the distribution centers experienced huge unpredictable swings in work flows from week to week making efficient staffing and labor planning nearly impossible.

Thirdly, for competitive reasons, Liz had to raise their service standard to ship 96% of all retail locations within two days of allocation.

## Liz Called SDI Consulting And Found A Great Fit.

All of the above objectives were combined into a strategic initiative, the Product Movement Initiative (PMI). Liz decided that the company needed assistance to develop, define improvements and create recommendations for the PMI. Liz called SDI Consulting.

## We Looked, We Knew, We Recommended.

The experts at SDI reviewed the current facilities, projected and simulated order profiles for the entire Liz distribution network, we knew where to make improvements and presented our recommendations:

- Eliminate the space, bottleneck and flow issues from the style/collection merchandise storage techniques and change to dedicated product storage areas for flat and hanging product. The slotting of product was also randomized for better workload balancing and product flow.
- Replace paper-based processes with a radio frequency bar-code scanning system that allows data to be captured and exchanged at key points in the process. Real-time information made available to a warehouse management system for overall control and monitoring of production and work management.
- Implement in-line labeling to automatically label outbound cartons with the retailer's specific carton marking requirements and weigh in motion scales coupled with bar code scanning to automatically build the freight manifest.
- Change static paper-based batch order picking process to fluid wave processing. Orders are pooled by SKU and customer into waves. The waves are released for processing where the computer system collates all like product into work orders for picking providing for mass order fulfillment. The picked merchandise is then inducted onto high-speed hang and flat sorters, scanned, and orders fulfilled automatically and carton content information uploaded for billing and ASN creation.

These recommendations were first implemented in Liz Claiborne's HQI 800,000 square foot facility in North Bergen, NJ, then rolled out to the 1.2 million square foot facility in Mount Pocono, Pa. After the successful upgrade of those two facilities, a new 595,000 square foot distribution facility in West Chester, Ohio was built employing the same technologies.

## The Results Are A Perfect Fit.

Liz's distribution productivity has increased more than 45% since the retrofit and expansion of the HQI and Mt. Pocono facilities. The HQI distribution center now ships more than 15 million units a year with a daily capacity of over 125,000 units. The Mt Pocono distribution center ships more than 40 million units per year with a peak daily capacity of 325,000 units. West Chester ships 32.5 million units per year, with a peak daily capacity of 300,000 units. Now that's moving some product.

## Our Client Knows What We Do.

"The productivity increases associated with the ROI for the three facilities is right on target"- Joe Giudice, Vice President Global Logistics, Liz Claiborne.

## Expert Thinking At SDI Consulting.

We're the best group of experienced, strategic, logistical, customer-focused materials handling expert thinkers on the planet. Our consultants have over 125 years of collective industry solutions in the retail distribution environment. For more information on Liz Claiborne contact: Patrick Eidemiller; [peidemiller@sdiconsults.com](mailto:peidemiller@sdiconsults.com). Or, Mary Adams; [madams@sdiconsults.com](mailto:madams@sdiconsults.com).

