



EL DORADO

“I could go on and on about Warehouse Management. We’ve been using it for several years now to manage our entire warehouse operation, and the results have been nothing short of spectacular. Not to mention the level of service provided by RedPrairie. They have treated our company as if it were their own.”

Jesus Capó,
Vice President, El Dorado

The Customer

El Dorado Furniture boasts ten successful south Florida locations, including El Dorado's "Boulevard" stores, which offer customers a furniture shopping experience like no other. This concept includes park benches, streetlights, a café and even live music. The company's creative approach to furniture sales and their "Same Day Delivery" have led to extraordinary growth. This requires equally creative, highly effective solutions to warehouse management and customer service issues.

The Challenge

Furniture retailers face a unique set of distribution challenges, including a high possibility for merchandise returns and fragile inventory that should be handled as little as possible. RedPrairie's Warehouse Management solution, designed specifically for the furniture industry, has improved efficiency and customer service at El Dorado Furniture, while tracking warehouse inventory, monitoring returns, and improving productivity.

Tracking Warehouse Inventory

In 2001, El Dorado had more than \$115 million in sales and moved 440,000 pieces of furniture through its distribution center. With so much merchandise on the move, the company's existing warehouse management system simply couldn't keep up. Rather than upgrading its system, the company wished to implement a full-blown WMS.



El Dorado's philosophy is to grow and lead in the furniture industry while preserving the personal touch, by providing outstanding customer service.

"Our previous system was a batch barcode system used only for receiving, so we did a lot of work by hand and the paper trail was enormous. Not to mention, if you lost a piece of paper, you lost a piece of furniture. With our sales volume expected to double over the next two years, we knew we needed a system that could manage all of our warehouse operations."

Jesus Capó,
Vice President, El Dorado

Monitoring Returns

The color may not be quite right, the product may be slightly damaged, or the customer may have not been home to accept delivery. For whatever reason, one unique aspect of the retail furniture industry is the high volume of merchandise returns. In instances where the customer wanted the same model, but just another version, El Dorado's old system had no way to track specific item returns to prevent that customer from receiving the original piece again and again.

Improving Customer Service

Customer satisfaction is the highest priority at El Dorado Furniture. The company offers same day delivery and customer pickup options for most in-stock merchandise. If resources are not allocated efficiently, bottlenecks can occur. As a result, customers are kept waiting for their furniture.

Monitoring Productivity

Before installing Warehouse Management, El Dorado management could not accurately measure individual worker productivity. There was a general sense of how the workers were performing, but no concrete evidence as to individual worker efficiency.

The Solution

To effectively manage the company's 375,000 square-foot Miami distribution center, El Dorado selected Warehouse Management from RedPrairie. Warehouse Management now manages El Dorado's entire warehouse operation, including putaways, picks, customer pickups, relocations, and damaged merchandise. The system determines the location of the needed merchandise and directs forklift operators to the correct location. "The system knows the volumes of the pieces, whether they've been assembled or treated, or if an item is out of the carton. With Warehouse Management, we can locate any piece in the warehouse at any time, and are able to promote cross-docking and interleaving, so there are no wasted trips," said Capó.

Unlike most WMS packages, Warehouse Management interfaces with GERS/Escalate, which is updated in real-time so sales personnel know immediately what is in the warehouse, and available for customers.

Warehouse Management has enabled El Dorado to "unship" merchandise from a truck and trace its movement throughout the warehouse. There is a record for each piece that enters, leaves or re-enters

inventory. The system automatically prevents a piece that has been declined by a customer from ever being reshipped to that same customer.

Warehouse Management not only knows the location of each piece of inventory in the warehouse, but also the movement of the forklift operators. At a moment's notice, the system can send the closest operator to load or unload inventory, or to pick merchandise for a customer pickup order.

"With the new system we are able to maximize warehouse efficiency," says Capó. "During the first week after the install, we had a customer walk up to the door and hand in his pickup

With Warehouse Management, tracking operator productivity is no longer a problem. The system knows where all the operators are located and how long an operator takes to perform a task. "We know who is doing what at every moment of the day," said Capó. The system also generates weekly reports measuring worker activity by type of pieces moved and by volume of work accomplished each day. This data can be used in performance reviews and is the foundation for a very effective incentive program.

The Results

Based on El Dorado's experience and the results generated by the solution, many leading furniture retailers signed on for similar implementations. Because the system is GERS/Escalate compatible, Capó believes this is the way to go for all larger-size furniture retailers with multiple retail locations.

For more information

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