



## Panasonic®

“Our main goals were to drive down labor costs and to be more flexible and responsive to customer requests. We started with 82 people in the parts center. We’re now down to around 60 — a 27 percent reduction.”

Brad Moszkiewicz

*Manager of Operations, Panasonic Services Company National Parts Center*

## The Customer

Panasonic Services Company (PSC)'s National Parts Center is the sole source for service parts in North America for Panasonic, Technics, and Quasar products. The parts center serves a highly diverse customer base, ranging from individual consumers to dealers such as Circuit City and Best Buy, as well as distributors and factory service centers.

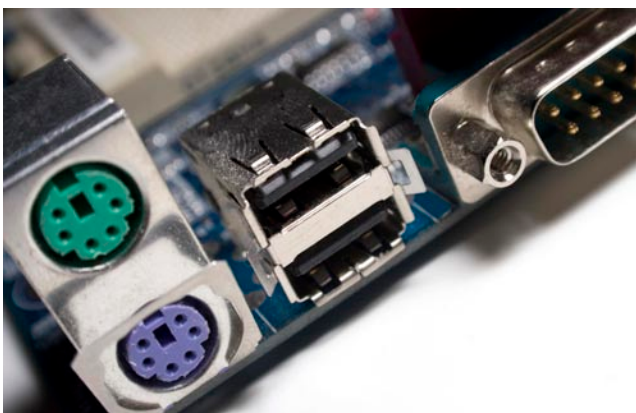
## The Challenge

A highly flexible order fulfillment system able to handle from one to 1,000 line orders, and rapidly growing Internet and third party fulfillment, interfaced to extensive material handling equipment and radio frequency (RF) technology

## The Solution

RedPrairie implemented Warehouse Management – a comprehensive system that controls the flow of work and materials through the parts center, handling Panasonic's complex mix of order fulfillment accurately and efficiently.

"We operate in a world of controlled chaos," is how Brad Moszkiewicz, Manager of Operations for Panasonic Services Company's National Parts Center near Seattle WA, described the complex mix of orders and the fluctuating and somewhat unpredictable workload he faces every day. The 228,000 sq. ft. facility has over 300,000 locations stocking 110,000 part numbers, with over 3 million pieces.



The material handling equipment and Warehouse Management enabled PSC to maximize space utilization at its parts center, creating additional capacity.

"We have a lot of material on the floor at one time," continued Moszkiewicz. "Our fulfillment system has to be capable of putting the work out to the floor, directing the work through the warehouse, handling our complex mix of orders efficiently, and be invisible to the customer." Since 1996, RedPrairie's Warehouse Management solution has been the nervous system that directs this challenging parts fulfillment operation.

## Managing an Automated Warehouse

The PSC facility has a mix of pick-to-light carousels and traditional rack/bin locations. Warehouse Management handles inbound and outbound conveyor routing along with storage and picking in the carousels using a ten position tote matrix. The tote matrix permits the system to batch dozens of different putaways or simultaneously pick up to ten different shipments. Handheld RF devices are used to confirm piece picks, putaways and transfers.

## Third Party Fulfillment

The material handling equipment and Warehouse Management enabled PSC to maximize space utilization at its parts center, creating additional capacity. Looking for ways to bring in additional income-generating activities, PSC approached Panasonic's sales company about performing work for them. Today, the PSC facility is providing third party fulfillment services for the sales company, processing promotional transactions such as shipping out a free carrying case to customers who purchase a camcorder or batteries to a stereo purchaser. Adding the fulfillment activity requires that the parts center continually improve its operations and contain costs. It's been so successful that "we're looking to expand our third party fulfillment work," Moszkiewicz said.

### Expanding Internet Fulfillment

The National Parts Center is experiencing significant growth in orders that are shipped direct to consumers. These have climbed from perhaps 200 direct orders when the system was first installed to thousands per day now — over half of the facility's order volume. "The RedPrairie software allows us to handle the shift in volume with no problem," said Moszkiewicz.

Handling anticipated future growth due to Internet orders, expanded fulfillment activities or increased geographic coverage won't be a problem: the RedPrairie software has virtually no limit on the volume that it can handle, and PSC's physical facility has plenty of space for expansion. It is all part of the National Parts Center's evolution into a world class automated facility.

### The Results

- Increased productivity – headcount went from 82 to 60 while handling increased volume
- Labor costs reduced 27 percent
- Improved customer service levels
- Error rate reduced from 1% to .25%
- Maximized space utilization – providing capacity for new third party fulfillment services.

### For more information

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