



“RedPrairie dramatically improved our procurement process. I would bet we saved \$100,000 in tools alone.”

Dave McKechnie,
Store Director and Materials Procurement Manager,
Habitat for Humanity Greater Los Angeles (HFH GLA)

CUSTOMER PROFILE:

Company: Habitat for Humanity Greater Los Angeles

Industry: Non-Profit Home Construction

Headquarters: Los Angeles, California

Volunteers: 3,000

URL: www.habitatla.org

THE CHALLENGE:

- Accurately track thousands of item numbers
- Quickly move materials from one location to another
- Reduce Material Shrinkage

THE SOLUTION:

RedPrairie's On-Demand Warehouse Management

THE RESULTS:

- Became good stewards of materials
 - Dramatically improved the procurement process, saving approximately \$100,000 in tools alone
 - Reduced shrinkage of materials to 1/2 of 1% which equates to 95.5% accuracy
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Habitat for Humanity of Greater Los Angeles (HFH GLA) serves 112 cities and unincorporated areas in Los Angeles County including 70 communities within the City of Los Angeles. On March 31, 2007 former U.S. President Jimmy Carter selected Los Angeles as the host city for the Habitat for Humanity's annual Jimmy Carter Work Project (JCWP). "It is the 'Holy Grail' for the HFH GLA to be awarded the 2007 JCWP," said Dave McKechnie, Store Director and Materials Procurement Manager for the HFH GLA. The goal of every JCWP is to build 100 homes in a week's time, whether it's doing initial framing or finishing homes out.

Building a Greater Los Angeles

The 2007 JCWP is a three-year commitment to build or renovate a grand total of 250 homes across greater Los Angeles in three years. The first phase of this campaign was to build 100 homes in one week. As a part of this particular adventure, Dave McKechnie was in charge of procurement, which meant setting up a warehouse and buying and bringing all materials into the warehouse. This involved a great deal of pre-staging in order to have everything ready to move forward without a hitch when the volunteers arrived.

In order to achieve an optimal level of organization, McKechnie knew that he was going to have to implement an inventory and warehouse management system that would help him accomplish a project of this magnitude, yet not be complicated to use as there would be thousands of volunteers needing to access the system during the various project stages.

McKechnie is no stranger to this type of operation as he previously held the position of inventory control manager with a company that had 28 branches, so he already had a sense as to what type of inventory control system he wanted the HFH GLA to use for the 2007 JCWP. First and foremost, McKechnie was looking for an easy-to-use system since there was going to be a lot of people touching the system for different purposes. "In doing some comparative shopping, I found RedPrairie to have the criteria that worked best for us and our particular project," said McKechnie. "The RedPrairie solution was not the first one I looked at, but it was the only one I felt could handle the multitude of suppliers and inventory items that would be passed through the system." The fact that the system was easy to use, had unlimited users, was housed off-site, and included free automatic updates were key differentiators in McKechnie's decision.

"We had less than 1/2 of 1% shrinkage because we knew what we had and where and when it needed to be moved."

Dave McKechnie,
Store Director and Materials, Procurement Manager for HFH GLA

Being Good Stewards of Materials

Implementing RedPrairie empowered HFH GLA to demonstrate even more credibility as being good stewards of materials and tools. After all, the organization receives millions of dollars in donations and it is their responsibility to effectively manage and distribute those funds to the best of their ability.

Using a system like RedPrairie gave the HFH GLA visibility and practicality to see exactly what materials [and ultimately cost of goods] went into building a given house. This information gave McKechnie a much better formula for forecasting future projects and a much better understanding of what their requirements will be going forward.

"I have gone through some major inventory excursions over the years and I have to say, it was by far the easiest. The fact that we did not have to 'recreate the wheel', meaning that we were able to import our existing data via RedPrairie's Import Sheets, made using the system a breeze," said McKechnie. "With RedPrairie in place we were at least twice as effective managing the 2007 JCWP, operating at a much higher level of accuracy and accountability." "RedPrairie has been very good at helping us understand what we had and where and when we needed to move it.

"In comparing the 2007 JCWP project, I would say we went from 80% to 95.5% accuracy. Any Habitat for Humanity Affiliate building at least 10 homes per year can benefit from using a system like RedPrairie."

Dave McKechnie,
Store Director and Materials, Procurement Manager for HFH GLA

JCWP 2007 Project Plan Status

The reality is that even 3000 volunteers cannot completely build and finish 100 homes in 1 week. The goal for that initial week is to kick-off the project and get the bulk of the foundations and framing completed. As of April 2008, the 2007 JCWP was in its final stages, literally installing carpets and putting the final touches on the landscaping. Without looking at all of the invoices, McKechnie estimated that about 10 million dollars worth of materials went through the warehouse within a 7-month period.

To accomplish this, the HFH GLA dedicated only 2 full-time warehouse RedPrairie users, who were in charge of the key data points, whereas about ten other users were, by design, set up with the ability to view inventory status without the ability to make any changes. RedPrairie's secure role-based permissions were invaluable in maintaining data integrity and increasing their efficiency levels.

"Because we experienced less than 1/2 of 1% shrinkage with our project, we were able to donate a great deal of these materials to the 2008 Jimmy & Rosalynn Carter Work Project (JRCWP) hosting Affiliate, the Habitat for Humanity of the Mississippi Gulf Coast, headquartered in Biloxi." With the 2008 JRCWP, President and Mrs. Carter celebrated 25 years of dedicated service. Utilizing donated tools from the 2007 JCWP program, more than 250 homes will be built in the 2008 JRCWP project's name.

3 Things to Keep in Mind When Deciding to Implement a WMS

Dave McKechnie of the HFH GLA offers this advice to other Habitat for Humanity Affiliates to consider before implementing a WMS.

- > **Establish The Need:** If an Affiliate is building anything above 10 houses per year, they could definitely benefit from knowing what materials they have and where/when they are moving.
- > **Appoint Proper Users:** Just like other systems, if good numbers are entered, then good numbers come out. Role-based user access ensures data integrity and accurate information.
- > **USE IT!:** We dramatically improved our procurement process which ultimately saved us money. Having real-time access of information gave us a true sense of what we had in inventory overall.

There are over 2300 Habitat for Humanity Affiliates. Within the United States, District of Columbia, and Puerto Rico there is a total of 1524 affiliates. Overseas there are more than 200 affiliates in 76 countries and there are 576 Campus Chapters throughout the World. "Our local affiliate is building from 60 to 75 homes per year. It becomes critical at that point as you just can't guess at it and keep a paper trail anymore," said McKechnie. Habitat for Humanity of Greater Los Angeles strives to eliminate poverty housing through advocacy, education and partnership with families in need to build simple, decent affordable housing. Since 1990, HFH GLA has built more than 230 homes, transforming the lives of hundreds of individuals. For more information, visit www.habitatla.org.

For more information

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