

Case Study

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Automated Picking to Keep Pace with Rapid Growth

Increased growth, both in stores and in volume created a huge demand in throughput for lucy®, which the system would not be able to handle efficiently. An automated pick solution, engineered by Dematic Corp., provided both a scalable and economical system for the chain's 40,000-square-foot distribution center in Portland, Oregon. Switching from manual paper picking to a high-efficiency put-to-light system by Dematic, lucy® improved pick throughput to its fast-growing retail stores by 400 percent.



The challenge

Within the past 24 months alone lucy activewear opened 30 new retail stores, giving it a total of 66 outlets, with another 10 to 15 new stores planned to open this coming year. The challenge was how to keep existing stores efficiently stocked with the more than 2,000 SKUs of apparel products while new stores were continually being added. Two years ago, the company's manual paper picking operation, and no warehouse management system (WMS) was able to handle the volume for 30 stores. The increased growth, both in stores and in volume created a huge demand in throughput, which old the system would not be able to handle efficiently.

Our solution

About 80 percent of products are crossdocked directly through the DC to its stores. The remaining 25 percent of product is either new or continuously replenished items that are handled through a pick system.

The lucy put-to-light system allows the operation to put items to all store locations from a single wave (currently

160 lights – 80 dedicated for putting new goods and 80 dedicated for putting replenishment) The majority of these picked goods are essentially fashion items which have a lifespan of 8 to 12 weeks in the stores. New goods are shipped twice a month, and replenished every week.

There is also the lucy online ordering business, which is received in the DC and picked as if it were another store in the chain.

“Making the shift from manual, single-store picking to picking in waves has shown a 400 percent improvement in time for processing orders in the picking process, and the putting system has improved speeds by 100% at least.”

Barbara Bones,
Director of Distribution & Fulfillment,
lucy activewear



The new pick system has shown a marked decrease in the amount of time it takes from the writing of the order, through the picking and shipping. The average throughput time for order processing has decreased by a full day.

Economical Alternative to a WMS

Without a WMS, Lucy® opted for a more economical option, a software program called PickDirector®, to run its put-to-light system, generate its picking lists, manage its wave picking and produce tracking lists.

Developed by Dematic, PickDirector takes data directly from the Lucy® ERP system and manipulates it so that the DC can pick in waves. According to Aaron Marx, regional account manager with Dematic, the program is very flexible, allowing a variety of ways to set up waves, such as by different numbers of stores, by varied SKUs, by particular zones in the warehouse, or by variations in transit time. "PickDirector supports a wide range of picking hardware and can easily integrate with routing and sortation systems to increase efficiency and track containers and their contents," said Marx. "Essentially, a WMS is not needed, as the inventory data from the ERP is pushed directly into PickDirector."

For Lucy®, being able to pick products for multiple stores simultaneously was a huge determining factor in working with Dematic. "One of our big wins is the capacity to now pick all 66 stores in selected styles," explains Bones. "A style will come in with various sizes and color runs. We might have 30 SKUs for each style. Depending on the store size and sales velocity, we will allocate whatever is appropriate to that store. But it is all very easy to do now because it is automated."

Efficient DC Expansion at Lower Cost

Many companies do not need expansive DC equipment build-outs to bring about significant improvements in their throughput volumes. The best solutions are always the most efficient when it comes to DC upgrades. Sometimes simple solutions within a distribution center can solve seemingly large logistics problems, and deliver quite an attractive return. Such is the case with Lucy activewear, who is now well positioned for the next round of new store openings.

Customer benefits

→ 400% Improvement in Order Picking Time

→ One Full Day Reduction in Order Turnaround Time

→ 100% Increase in Speeds
