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Hart Schaffner & Marx sews up increased efficiency with tailor-made Warehouse Management solution

HART SCHAFFNER & MARX SEEKS HELP TO CUT IT OPERATIONS FROM THE SAME CLOTH

From the Industrial Revolution to the Information Age, Hart Schaffner & Marx (HSM) has been the original American suit maker and at the forefront of innovation for more than 120 years. The publicly-held company is headquartered in Chicago and has four other locations across the United States, employing approximately 4,000 people. The Hart Schaffner Marx brand is carried in more than 1,000 stores across the country and is America’s largest and oldest name in tailored clothing.

HSM not only distributes its high-end men’s and women’s apparel through retail giants, such as Macy’s, Neiman Marcus, Nordstrom and JC Penney, but also sells directly to consumers through the company’s website. In an industry that has moved its manufacturing facilities abroad, HSM believes in preserving traditional American brands. It manufactures nearly 80% of its products in the United States at four manufacturing and warehouse sites located in Alabama, Illinois, Missouri and New York.

While quality craftsmanship, innovation and the American made label have been the foundation to HSM’s success, the company faced inventory and warehouse management challenges. It lacked accurate visibility of its products, and to further complicate matters, the IT operations at HSM’s five locations were each running in boutique mainframe environments.

“Every three months we had to shut down our warehouses for two or three days to conduct physical inventories,” said Shouvik Dutta, Vice President of Information Technology at Hart Schaffner & Marx. “This was a huge drain of time and money that had to be addressed. I came on board to develop an overall IT strategy and the first task was to get greater inventory visibility and to integrate the IT capabilities of our various facilities.”



Headquarters: Chicago, IL
Distribution centers: Illinois, Indiana, New York
Platform: IBM i
Manhattan solution: Warehouse Management

Challenge:

HSM lacked inventory visibility and employed disparate systems in five locations.

Goals:

HSM needed visibility to inventory positions; increased inventory accuracy; and new functionality including cycle counting and directed putaway.

Solution:

Manhattan Associates was selected for its experience and expertise in the apparel industry and ERP integration ease.

Results:

\$120 thousand saved annually by eliminating quarterly physical inventories; 1.8% decrease in lost sales attributable to inventory visibility; reduction in chargebacks.

Dutta was charged with delivering a more complete and concise view of HSM's inventory, which would reduce the order and delivery cycle time of its products to retail stores. With the highly competitive pressures apparel manufacturers face in the retail arena, timely product delivery is essential. "We compete with other clothing providers as well as the retail store's private label brand. Getting our products delivered quickly and efficiently is vital to our profitability," said Dutta.

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"Now we are able to pick and pack orders without manual touch points for our warehouse personnel. The inventory that shows on our list is ready for shipping, which has rapidly increased our sales cycle."

**Shouvik Dutta, Vice President of Information Technology
Hart Schaffner & Marx**

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MANHATTAN'S APPAREL INDUSTRY REACH AND WAREHOUSE MANAGEMENT SOLUTION ARE THE PERFECT FIT

Dutta created a short list of requirements the selected solution provider had to meet. "We wanted to team with a vendor that had solid financials, strong market share, and a strategic vision for the future." Also on Dutta's list was a good match for HSM's business requirements and the IT compatibility it sought in unifying its five locations. The final requirement was crucial in the vendor selection process—a strong footprint in the apparel space.

"The apparel market has a unique set of terminology and challenges. We grilled each vendor team on their knowledge of our industry and only Manhattan Associates had the expertise to win our business." HSM selected the Warehouse Management for IBM i solution from Manhattan to enhance its inventory management and increase visibility and accuracy. In addition, the solution was perfectly suited to help HSM launch its ERP integration plans that would consolidate its sites.

The initial implementation took place at the company's largest facility in Chicago, and HSM phased in the remaining locations separately. "We deployed very rapidly in Chicago, establishing this launch as our base model for design, while we ran cycle tests and built interfaces," said Dutta. "We completely changed the infrastructure of our IT operations as we rolled out the Manhattan solution." Dutta and his team had taken on the daunting task of changing

the operating environments in facilities across five states while simultaneously employing the Manhattan Warehouse Management solution. "Although we opted for a huge challenge, the roll-out was a complete success, meeting our time and budget benchmarks."

According to Dutta, "Manhattan not only has the requisite software but helped us with getting the RF system up and running quickly, which was critical to the success of the implementation.

MANHATTAN SOLUTION HELPS HSM TIGHTEN BELT AND DELIVER GOODS ON THE FLY

Manhattan Warehouse Management allowed HSM to hone its operations beyond the basic picking, packing and shipping of its products. "The flow of goods and information through our warehouse has improved dramatically," said Dutta. "Manhattan provided us with the organized optimization we were searching for to streamline our inventory processes and reduce the product delivery cycle. No doubt, we've gained a definite competitive advantage with Manhattan Associates."

Hart Schaffner & Marx has garnered other tangible benefits across its manufacturing and warehouse facilities. With a better high-level view of its inventory, the company was given the green light by auditors to abolish the quarterly inventory physicals it previously conducted. "We are saving \$120 thousand each year just by eliminating the inventories." A stronger grip on its inventory has enabled HSM to track other perspective revenue streams. "Manhattan developed a customized cross-stocking function that helps us identify products we can sell off to discount merchandisers, which previously occupied valuable space," said Dutta.

In addition, the Manhattan solution opened the door for HSM to implement the ERP capabilities Dutta had planned. "We are much more proactive, meeting customer requirements, reducing inventory on both finished and raw goods, and enhancing our sales process. Retailers invest heavily in technology, and continuously upgrade their systems and mine for data. Now we are on the same high tech playing field, which is priceless."

From front office to warehouse personnel, HSM employees have embraced the technology advancements the company has executed. "Overall, our employees were hungry for this change," said Dutta. "They saw the value right away and understand all the nuances involved with ensuring our customers are satisfied beyond their expectations."