

The School Box Tightens Inventory with Warehouse Automation



Running a classroom requires a lot of supplies. Dave Persson and his wife Christine, once

a teacher; recognized the need for a store that would serve teachers as well as parents. The result was The School Box, launched in Marietta, Georgia, in 1990, which now includes a catalog and Internet business as well as 14-1/2 stores – the latter a mobile store that tours rural neighborhoods. The School Box maintains approximately 15,000 active and 22,000 total SKUs, with about 60 percent of its business coming from its stores, while 40 percent is derived from its fast-growing catalog and internet business.

As The School Box grew, it strained the limits of its inventory management system, a module of its 18-year-old POS that was never really intended to run a warehouse. Since its main distribution facility was limited to 18,000 square feet at the back end of one of its retail stores the company was forced to rent extra warehouse space in preparation for “back-to-school”, a time when stores demand higher inventory and Internet orders surge from 50 per day to 1,200 a week. Persson and his staff knew the current system was costing the chain in excess inventory, order accuracy and productivity.

“We were sharing the same inventory at one retail store, picking product alongside customers for other stores and the catalog business,” says David Persson, CEO of The School Box. “It wasn’t efficient.”

Orders were checked into the warehouse en masse, introducing numerous errors. Warehouse operations relied on paper printouts and manual processes, including a double-check at packing to catch and correct picking mistakes. Special orders took weeks to process. The back-to-school period became so busy that “Dave the CEO” became “Dave the Warehouse Manager.”

Busting at the Seams

Persson and his staff set the wheels in motion to move to a new, 40,000-square-foot warehouse; their plan was to start day one with a fully automated solution. After a thorough market search, the company chose Cambar Solutions Warehouse Management

System, a robust software solution already in use by its major wholesaler. Among the factors favoring Cambar’s selection were the software’s flexibility, its similarity to The School Box’s current business processes, and its price, Persson says.

The Schoolbox, Cambar and LXE worked together to complete a successful project in a very short time. In just over three months the combined project team completed a business requirements study and outfitted a new warehouse with racking. Meanwhile they installed and configured the RF backbone as well as the new computer and LXE equipment. They also loaded the WMS with data and configured it for The Schoolbox’s needs, interfaced the WMS to the existing order management system, and trained The Schoolbox employees. The end result was a successful and painless go-live.

“Cambar Solutions played a huge part in the smooth transition to our new distribution center,” said Persson. “From the very first sales visit through to our first live day on their system, we instantly connected with all the members of their team. Their product knowledge and experience in warehouse systems contributed greatly during our training and conversion. Planning and training was extremely thorough; our transition was well-supported and their ongoing support continues to be outstanding. We researched numerous companies before choosing Cambar Solutions and remain very happy with our choice.”

The MX7 - Hands Down

When it came time to select mobile computers, The School Box relied heavily on Cambar.

“Cambar gave us a couple different options but strongly recommended LXE because of their relationship with the company, their success with the product and LXE’s proximity to our DC in the event that service is required,” Persson recalls.

The School Box currently uses 16 MX7 mobile computers for put away, picking, cycle counts and stock replenishment with plans to expand to 20 units for packing and other uses.



"The MX7s are great all around," says Mike Cornelia, Vice President of Information Systems for The School Box. "The screens are bright, beautiful, easy to read, and it's very rugged. It also seems to have really good ergonomics – there are a tremendous number of options for how to hold every gun."

With such a major transition in store, Persson was concerned that warehouse staff would greet the new terminals with trepidation.

"With some staff, the level of computer literacy is not high," says Cornelia. "We were worried that going from paper picking to these would be a real fight, but they thought it was fun, even the people we were most worried about." Workers have begun adapting the MX7s to their own preferences, such as with or without a trigger or handle.

"The new software and data collected from the MX7s is allowing us daily tracking of employee efficiency, order lines picked, fill rate, etcetera," Persson says. "We did not have any of this in our previous system, and it has been very enjoyable to track. Monitoring employee performance has been surprising. It is not always the senior employees who are rising to the top of the productivity list as once thought. This new data gives us great



benchmarks from which to set goals for the DC, and all the employees get excited about these milestones."

1+1=3

The chain went live just after its back to school period. Six months later, the benefits were already greater than the sum of their parts.

"We're finding almost no errors in our picking now. It's all done by scanner, so we're catching mistakes as we pick," Persson says. As a result, packing bottlenecks are gone; before there was one picker for every one packer, and now it's two to one. "Our fill rate is much better," Persson adds. "We can use that to promote shipping promises to customers, and we're able to keep more organized."

"Special order fill rates to stores are phenomenally better," adds Cornelia, dropping from two weeks to just days. That's critical for customer service, Persson says. "Long-term, that builds trust in the customer that if they need something that is not in our core inventory, they know they can place an order and get it in a few days. It will arrive while they still need it."

The School Box was also able to eliminate excess store inventory as well as a full-time inventory person at each store. Together with some additional labor previously needed to expand to three overlapping shifts at the new warehouse, the company was able to net a savings of nine positions. As a result of the reduction in excess inventory and the reduction of labor costs, The School Box has enjoyed a net increase in profitability.

As its first back-to-school phase with the new solution nears, The School Box anticipates additional savings such as eliminating the extra drivers it traditionally procures for school deliveries to finish incomplete orders.

The LXE MX7s played a key role in delivering those benefits. The retailer is equally pleased with LXE's service both before and after the implementation. "LXE's tech came out and helped us set up the MX7s before the go-live, and he did a great job and was very knowledgeable," says Cornelia. Since rollout, "We've done an RMA two times, and it's been an amazingly fast turnaround. We've gotten them back within days."

While investing in technology in the midst of a recession can cause a business owner to pause, the move was the right one to push The School Box to the next level in inventory management, productivity and accuracy. "It definitely had an efficiency impact and in turn is giving us savings at a time when we really need it most," Persson says. The School Box expects the total warehouse project to have an ROI within twelve to fifteen months.

About Cambar Solutions

For over a quarter century, Cambar Solutions has delivered proven, high-value distribution solutions that provide value at a low cost of ownership. Our robust, configurable warehouse management system is packed with features that provide an improved view of operations, enabling warehouse managers to make informed decisions for efficient utilization of resources including personnel, space, equipment, and inventory. We have an extraordinary track record of successful implementations for small, midsize, and large distributors across a wide variety of industries, including technology, medical, industrial, and third party logistics. With our warehouse management system small to midsize distributors can deploy a moderate-cost solution that positions them for effective growth. Our pledge is to use over a quarter century of experience providing solutions to the distribution industry as a tangible asset to small to midsize businesses.



Cambar Solutions

2430 Mall Drive, Suite 320
North Charleston, SC 29406-6552
800.756.4402
www.cambarsolutions.com

About The School Box

The School Box was launched in Marietta, Georgia in 1990 to provide teachers and parents a source for A+ school related products that teach, challenge and inspire all ages. The School Box is dedicated to providing the highest quality educational products and a shopping experience that exceeds expectations through outstanding selection, exceptional service, teamwork and convenience. Our business includes a catalog and Internet enterprise as well as 14-1/2 stores – the latter a mobile store that tours rural neighborhoods. The School Box maintains approximately 15,000 active and 22,000 total SKUs with about 60 percent of our business coming from our stores, while 40 percent is derived from our rapidly-growing catalog and internet business. We provide multiple ways to shop through our retail stores, easy internet ordering and our comprehensive catalog.



900 Cobb Place Blvd.
Kennesaw, GA 30144
800.257.7224
www.schoolbox.com

About LXE Inc.

LXE helps companies extend corporate networks to mobile workers in demanding conditions by providing easy-to-use, tough and reliable wireless computers. LXE rugged mobile computers are used by organizations to drive down costs and improve customer satisfaction. LXE develops innovative handheld, vehicle mount and wearable mobile computers with integrated wireless and automatic-identification technologies, backed by worldwide customer support. The company collaborates with customers and a network of technology, software and reseller partners to create winning solutions. LXE is a division of EMS Technologies, Inc. (NASDAQ: ELMG), a leading supplier of wireless connectivity solutions.

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125 Technology Parkway
Norcross, GA 30092
800-664-4593
www.lxe.com