CASE STUDY: Safelite AutoGlass

CAi Software™

Safelite AutoGlass Supports Rapid Business Growth, Maintains a Competitive Advantage and Drives Operational Efficiency with R-WMS

SUPPORTING RAPID BUSINESS GROWTH

With over 60 years of service, Safelite AutoGlass® has grown from a single store in Wichita, Kansas, to America's leading auto glass provider, serving more than 4.4 million customers per year. A subsidiary of Belron, the world's largest dedicated vehicle glass repair and replacement company, Safelite provides services to more than 95 percent of the U.S. population in all 50 states. The Columbus, Ohio-based company employs nearly 10,000 people across the United States and operates from a distribution network that includes a manufacturing facility in Enfield, North Carolina, distribution centers in Braselton, Georgia and Ontario, California, and a series of warehouses spread out across all 50 states.

Despite the economic downturn over the past few years, Safelite has managed to accomplish something few companies can boast of—the company has nearly doubled its profits in just five years. Much of that increase can be attributed to its willingness to make the investments necessary to streamline operations, explains Rich Glover, Assistant Vice President, Manufacturing and Distribution for Safelite. "One of our core competencies is supply chain. Our goal is to have the right part at the right time at the right place—and our ability to do that has been key to our business growth."

One area that Safelite has chosen to invest in is technology. Back in 2007, the company was using a primarily manual-based system for managing its inventory process. With a paper sales order in hand, workers would physically walk around the warehouse, marking off items as they were added to the pallet. The process was labor-intensive and lacked the level of validation necessary to ensure accuracy. Despite this inefficient system and the worsening economy, Safelite's sales were steadily growing and the company realized that to support and maintain this growth it needed to automate its operations with a new, state-of-the-art warehouse management system.

SOLUTION SNAPSHOT

BUSINESS CHALLENGE

To support and maintain rapid business growth, Safelite needed to automate its operations with a new, state-of-the-art warehouse management system.

SOLUTION

Safelite is using R-WMS, Robocom's flexible, cost-effective warehouse management system that integrates with leading front-end business systems and provides supply chain visibility critical to success in today's global marketplace.

WHY R–WMS.net

Safelite chose R-WMS for its functionality, value and flexibility.

RESULTS

Safelite has achieved productivity improvements as high as 15 percent, saving just over $700,000 annually. The accuracy of all distribution center shipments has also improved from 99.2 to 99.996 percent. And Safelite has converted one of its locations to a perpetual cycle counting plan, meaning no more interruption to shipping schedules, no loss in service, no paid standard time or overtime for conducting a physical inventory, and no profit loss.

R-WMS: FUNCTIONALITY, VALUE AND FLEXIBILITY

The selection committee, which consisted of members from distribution, supply chain and IT, set out to select a warehouse management system (WMS) that could do the job while not breaking the bank. "The biggest hurdles that we saw in failed attempts by other companies to implement a WMS stemmed from bad selection of software," explains Mike Bradsher, Director of Accounting and Controller for Manufacturing & Distribution for Safelite. "So we knew that picking the right solution for our needs was going to be key to our success."

In its search for a new solution, the committee established a key set of criteria. "We were looking to implement productivity and efficiency improvements across our distribution center operations—including improved inventory, picking and shipping accuracy, improved visibility of activity in our distribution centers, and we wanted to provide for better tracking of inventory and shipments," says Bradsher.

A number of vendors—small, medium and large—were considered. But in the end, Bradsher says Safelite chose the WMS from Robocom (R-WMS) for its functionality, value and flexibility. "For the value of what I was buying, Robocom far exceeded anybody else's capabilities—and we looked at some of the largest, industry-leading WMS vendors in the world."

Glover adds: "We chose Robocom because of the value we thought we were going to get—and we actually got. Other WMS market leaders are very expensive and inflexible. The Robocom system allowed us to enter the WMS market without having to spend $1 million while benefiting from a flexible system that offers everything we need."

SUCCESSFUL AND RAPID IMPLEMENTATIONS

Safelite's growth has been truly impressive. In 2008, Safelite implemented the R-WMS in its existing Enfield, NC manufacturing facility. And over the next two years, the company opened two new distribution centers and completed implementations of R-WMS in both. In 2009, Safelite opened a 282,000 sq ft distribution center in Ontario, CA, and in 2010 Safelite opened a 357,000 sq ft distribution center in Braselton, GA—the largest distribution center for all of the Belron-owned companies.

Bradsher says the implementations went very well. "I've heard stories from people going to other WMS solutions and they were down for a week, unable to ship and requiring on-site support for 6-12 months. We didn't have any of that. Robocom came and helped us get up and running, we were shipping the first day, and they were gone within five days. Best of all, it was completely seamless to our customers."

Despite the fact that many of Safelite's supply chain employees were not familiar with computers, Bradsher says user adoption was quite positive and smooth. "The training went very well—it took just one week. And the screens are very intuitive. Our Robocom WMS has proven to be a very user-friendly system, and that has a direct correlation with our productivity output."

IMPROVED INVENTORY MANAGEMENT AND ACCURACY, INCREASED PRODUCTIVITY AND ENHANCED BUSINESS AGILITY

Both Bradsher and Glover say the benefits of R-WMS were immediate:

Improved Inventory Management and Accuracy

In order to increase product visibility within its distribution centers, Safelite wanted to use R-WMS to drive improvement for inventory accuracy and picking accuracy. The company needed to know exactly where inventory was located, be able to get inventory out of its US-based distribution centers correctly and have documented proof of what specific inventory left each center.

Since implementing R-WMS, Safelite has realized extraordinary improvements in these areas. In fact, Safelite's first physical inventory after successfully implementing the Robocom system was 99.98 percent accurate. "Simply put, this was the quickest, most accurate inventory we'd ever had. And we received a no-error-at-all score for our first audit of the system," says Bradsher.

Since then, Safelite's Ontario distribution center has achieved four inventories at 99.99 percent accuracy, and the 2011 physical inventory netted an eight-piece variance out of 250,000 plus pieces on hand. As a result, Ontario has become the first Safelite location to convert to a perpetual cycle counting plan, meaning there are no more physical inventories.

"The benefits of a perpetual cycle counting plan are enormous," explains Glover. "In previous years we had to take a two to three-day shutdown so people could count every single piece of glass. That is a critical factor because we ship to every location, every week, at least once, sometimes up to five times. Shutting down our facility means a loss of revenue. Now, with a perpetual cycle counting plan there is no more interruption to shipping schedules, no loss in service, no paid standard time or overtime for conducting a physical inventory, and no profit loss."

Safelite's future goal is to establish a perpetual cycle counting plan in all of its distribution centers.

Increased Productivity

Safelite knows that every percentage it can gain in productivity means a more efficient business and greater opportunity for growth. In just over three years since implementing R-WMS, the company has made productivity improvements as high as 15 percent, which equates to just over $700,000 annually. "In a market where

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— Rich Glover
Assistant Vice President
Manufacturing and Distribution
Safelite AutoGlass

we were already considered to be world-class, we've been able to make those additional major productivity gains. That is impressive," says Glover.

R-WMS is also allowing Safelite to receive product much faster than it was previously. And it has enabled the company to handle overnight shipments vs. just once a week. The accuracy of all distribution center shipments has also improved from 99.2 to 99.996 percent.

Competitive Advantage

By investing and reinvesting in its business, Safelite has truly put itself in a position of strength. "Today, there's nobody that's even close to the size of an operation that we are, on a nationwide basis. There's nobody that has the infrastructure that we do," explains Bradsher. "While I think we could have continued to grow our business without a WMS, it would have taken a lot more time, people and money to do so—there is no doubt about that. Now, with our WMS in place, we are poised for growth and to take advantage of any opportunity that comes our way."

NEW ENHANCEMENTS WITH VOICE AND LABOR MANAGEMENT MODULES

Safelite is always looking for ways to continue to shave off a bit when it comes to productivity numbers, cost and efficiency savings. The company is currently looking at new enhancements that will deliver those benefits.

In 2013, Safelite plans to implement Robocom's Voice Module (R-Voice) in its US-based distribution centers. R-Voice is designed to optimize labor-intensive case and loose pick operations, while still handling full pallet activity. The company will use R-Voice in their order selection, bin replenishment and putaway operations as well as leverage the technology to voice-enable the equipment safety check process.

"Robocom's R-Voice will allow us to leverage the existing WMS business flows that already meet our operational requirements today. Voice communications will free the hands and eyes of our workers for more productive activity and drive additional productivity gains and a safer work environment," says Glover. "We anticipate at least a 5-7 percent increase in labor efficiency."

The company also plans to implement Robocom's R-Labor Labor Management System in 2013 as a coaching tool for Safelite's managers and supervisors and to enable the implementation of Labor Standards in their distribution centers. R-Labor will provide Safelite with an accurate and objective tool for measuring the performance of individual employees in the distribution center and also provide managers and supervisors with a coaching tool they will use to better develop the workforce.
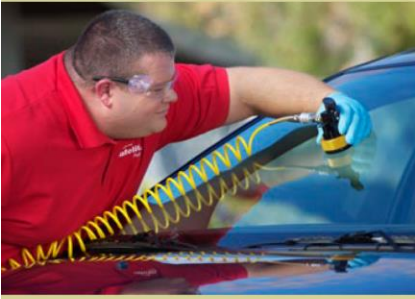
"We believe the implementation of Robocom's Labor Management System will take us to the next level in managing our workforce and further improving efficiency in the warehouse," says Bradsher." In fact, we anticipate a 10 percent increase in productivity. Together with R-Voice that should bring us an additional 15-17 percent increase in productivity in addition to the 15 percent we have already realized with the Robocom WMS."

A TRUE PARTNERSHIP

Not only has Safelite derived significant value from R-WMS, but it also views its partnership with Robocom as a true benefit. "I can't say enough about the group I have worked with at Robocom," says Glover. "They are very responsive to our needs. We always know what we are going to get; each and every time we were delivered what we expected."

Bradsher agrees: "Truthfully, they have been terrific to work with. They really go after everything we need. They are extremely attentive to what we are doing and where we want to go with our business. We are excited to see what the future brings."

ABOUT CAI SOFTWARE

CAI Software, LLC (CAI) is a leading provider of mission-critical, production-oriented enterprise resource planning (ERP), manufacturing execution systems (MES), warehouse management software (WMS), e-Commerce EDI, and process automation software and services to leading companies in select vertical markets.

We help our clients achieve their business goals by building, integrating and supporting mission-critical applications and systems for optimized quality, increased business value, faster time-to-market and reduced total cost of operations. Our solutions automate key production, distribution and financial processes, help meet fluctuating customer requirements, and maximize profitability.

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