



ADSI Helps E-tailer Ramp Up Delivery Services in Competitive Online Shopping Market

For companies such as Chelsea & Scott, retailer of children's educational and safety toys sold under One Step Ahead® and Leaps and Bounds® brand names, the Internet has proven to be invaluable in building a growing customer base. Initially launched as a catalog mail-order business, the company now derives the majority of its business from online shoppers.

However, serving an online shopping community means dealing with constantly changing expectations as competitors strive to win over the same buyers. The ability to provide responsive service is one way to combat this challenge.

"It's all about providing great products and fast, accurate service. Online shoppers don't want to wait. They want to receive what they ordered as fast as possible, for the lowest price possible, including shipping and delivery costs," said John Sejud, Chelsea & Scott's Director of Distribution.

Challenge

Sejud, a career logistics professional with 20 years of experience in transportation and distribution management, knew the company could enhance its customer service levels by streamlining the workflow from order placement to shipment processing.

Achieving this would require a solution that enabled information sharing between their order, warehouse and shipping systems to facilitate the warehouse team's workflow. The company chose ADSI to optimize its operations.

Solution: Automated Pack Verification and Shipping Tools for Each Pack Station

Prior to implementing ADSI's solution, the warehouse team received orders in a printed format from the warehouse management system. The staff picked the orders, manually verifying contents as they worked. Completed orders were collected at the shipping station.

Chelsea & Scott eliminated manual packing and verification by installing Pack-IT™, ADSI's pack verification system to automate the order picking process. Barcoded orders are now downloaded from the order entry system onto Pack-IT mobile computers at each of 12 pack stations. The packer uses Pack-IT to scan the order barcode, bring up order details on the Pack-IT screen, and verify line items as they are picked. If an incorrect item or quantity is detected or an order is incomplete, Pack-IT alerts the packer to take action.

The new solution has also enabled Chelsea & Scott to convert from a system of scale audits to file

weight audits, yielding significant savings in labor. A weight auditor moves between stations for one to two hours a day to test random samples of cartons. One team member “floats” between the pack stations to provide assistance with error messages, incomplete packages and other problems.

“Pack-IT makes it easy to verify items as they are picked, enabling us to practically eliminate packing errors,” said Sejud. According to Sejud, since implementing Pack-IT, the company’s error rate on shipments has been reduced by 50%.

Order throughput has also seen a dramatic improvement. “This approach has enabled us to eliminate accumulations and keep the lines continually moving,” said Sejud, “Our order fill times have been reduced by 12 hours—a significant factor in our ability to provide responsive service on customer orders.”

Moving Shipping Upstream to Eliminate Bottlenecks

Sejud also moved the manifesting process upstream to take place at the packing stations. To achieve this, ADSI installed Ship-IT™ their multi-carrier shipment processing solution on the Pack-IT workstations. Packers now pick, pack and ship orders from one station. Now, once the packer has completed an order and closed it for shipment, it is automatically downloaded to Ship-IT. The system calculates actual shipping weight based on package tare and file weights and uses this information to determine the best shipping method.

In addition to implementing Pack-IT and Ship-IT on the pack stations, Sejud recently added two mobile pack stations that enable the packers to move

around to work with large items. “Now, when we’re shipping a swing set, we can skip the step of taking it all over to shipping area to pack and ship it. We process it on site and move it right onto the truck.”

More Accurate Shipping Weights Yield Greater Control Over Shipping Costs

ADSI’s Pack-IT and Ship-IT solutions have given Chelsea & Scott much greater visibility and control over shipping costs. “Prior to using Pack-IT and Ship-IT, we did not have the data we needed to best take advantage of discounts offered by our primary carrier,” said Sejud. “Now, Pack-IT sends true shipment weights and dimensions to the Ship-IT system, where it is routed according to the best possible delivery/cost scenario. We can trust that shipping charges and delivery times are accurate. This was not possible with our previous system.”

Sejud also uses summary reports provided by ADSI’s solution as an audit tool to further refine shipping operations. “For example, we’ve been able to identify circumstances in which we can further reduce delivery costs by modifying the way we pack our product,” he said.

Net Result? A 1.8-Day Reduction in Customer Order Transit Times

According to Sejud, the biggest benefit delivered by ADSI’s solution is that it has enabled the company to offer more responsive levels of service to its customers, an important factor in their company’s success.

Since implementing ADSI’s solution, Sejud calculates that Chelsea & Scott has reduced its customer order transit time by 1.8 days. “It’s the equivalent of putting your warehouse on steroids!” he said.



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