

# How Sears Home Services Improved End-to-End Supply Chain Visibility

Sponsored by:



Presented by:

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# Softeon **Agenda** *Innovative Supply Chain Solutions*

- Sears Case Study
  - Company Overview
  - Opportunities Identified
  - Proposed Solution
- Benefits to the Parts Distribution (PDC)
- Distributed Order Management Systems (DOM)
- Benefits to the Technician



# Case Study

## Company Overview

### PDC

- 5 Parts Distribution Centers
- 7M SKUs
- 30K Pick Lines

### Vans

- 7,600 Service Vans
- 600 SKUs each, based on specialty

### Districts

- 50 District Offices

### Repair Ctr

- 23 Region Repair Centers

### Carry-In

- 1670 Carry-In Stores
- 1.5M repairs annually for Sears / 3<sup>rd</sup> Pty

### Parts Sources

- 20+ Master Parts Sources and Product OEMs

### OTC

- 200 Over the Counter Store Fronts

# Case Study

## Opportunities Identified

### SHS faced issues common to the warehouse / parts industry

- Trapped Inventory / Inventory Silos
  - Ineffective reverse logistics
  - No visibility between PDCs, rest of network, or exposure to network orders
  - Service repair vans with limited (virtual/assumed) inventory position
- No real-time accounting of inventory
- Manual quality check process for orders
- Inconsistent / ineffective process for handling de minimis guidelines
- Need for effective & efficient integration of additional 30k daily consumer direct orders (2X output)

### SHS found a solution partner in Softeon, based on:

- ✓ Shared passion for customer success
- ✓ History of quickly understanding their client's business needs
- ✓ Solutions that offer flexibility for today's business environment
- ✓ Their guarantees for on-time implementation and fixed cost

# Case Study

## Proposed Solution

**Create a Fundamental Foundation for  
Business Growth and Operational Stability**

### **1. Implement DOMS/Integrated WMS in PDCs**

- Single order funnel with sourcing logic (primary, alternates, etc.) to optimize freight and reduce inventory
- Common WMS among 5 sites – common practices, leveraged productivity, network stability
- Common practices = flexibility in order fulfillment (i.e. site independent)

### **2. Implement Reverse DOMS/Integrated WMS in Service Vans**

- Single reverse order funnel with sourcing logic to optimize freight
- Set up service vans with warehouse control functionality, enabling real-time inventory management and greater visibility to parts network

# Case Study Results

## Benefits to the PDC

### Post-Implementation of the DOMs/Integrated WMS, PDCs are enjoying the following benefits:

- Improved service order cycle time, first time completes, inventory utilization to include returns, customer visibility of their service experience, accuracy of repair service orders to track parts, overall process productivity
- Real-time global visibility of inventory
- Ability to change rules as needed (No need to request from IT)
- Enabled pick-to-shipping cartons
- De Minimis guidelines seamlessly integrated within process
- Reduction in overall order processing costs
- Greatly reduced materials and labor for “Preparing Orders For Picking”
- Eliminated need for manual order checking
- Improved information accuracy throughout the process



# Case Study Results

## DOM

**DOMS is the nerve center of order fulfillment, using a rules-based flow for sourcing to meet expectation, by providing:**

- Hold and release
- Order scaling and grouping
- Sourcing and allocation
- Constraints and restrictions
- Mortgaging
- Reservations
- Fill-Kill processor
- Back order allocation
- Alternate Sourcing – if a PDC is out of service or out of inventory, orders will be sourced from alternate PDCs
- Visibility across all nodes

# Case Study Results

## Benefits to the Technician

**Post-Implementation of the reverse DOM / Integrated WMS in Service Vans, Technicians are enjoying the following benefits:**

- The software is integrated into Sears internal applications that are actioned on technicians laptop computers
- The software is able to partially function offline if technician loses network connectivity
- Technicians are able to organize their parts in assigned bins, minimizing damage and allowing for quick location of part as needed
- Technician has ability to electronically receive and verify shipments of parts sent from the PDC



***(Continued)***



# Case Study Results

## Benefits to the Technician

### Post-Implementation of the reverse DOM / Integrated WMS in Service Vans, Technicians are enjoying the following benefits:

- Technician can create RGI directly back to the district, with complete tracking of each shipment
- Technician can search nearby vans for a part that is needed to repair a customer's appliance
- Visibility to all substitute part numbers, utilizing the oldest stock first
- Technician can record all appropriate accounting transactions, including filing claims and taking mark downs for damaged parts.
- Cycle counts can be scheduled with flexibility to ensure productivity and customer satisfaction



# QUESTIONS AND ANSWERS

***For More Information:***

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