

CASE STUDY: AMERICAN HERITAGE BILLIARDS

HighJump's Small Parcel and LTL Shipping Solution
Slashes Labor Costs, Accelerates Shipping and Boosts
Sales at American Heritage Billiards



Quick Facts: American Heritage Billiards (AHB)

Profile: American Heritage Billiards (AHB) is the world's largest game room furniture manufacturer, specializing in handcrafting heirloom quality billiard and game tables, counter height dining sets, and home bar accessories.

Business Situation: AHB needed to overhaul their order picking and shipping processes to accommodate high volumes of smaller orders and shorter shipping windows, with an eye towards increasing profitability.

Solution: Using HighJump's small parcel and LTL shipping solution, AHB was able to cut labor costs by integrating shipment label creation into the outbound order process.

COMPANY PROFILE

Founded in 1987, American Heritage Billiards (AHB) is the world's largest game room furniture manufacturer. They specialize in handcrafting heirloom quality billiard and game tables, counter height dining sets, and home bar accessories.

Embracing eCommerce, AHB is reinventing how large item purchases are made. Even expensive products like pool tables that were previously only purchased in showrooms are only a click away!

More than 60% of AHB's sales are initiated online through retail partners (like costco.com) and drop-shipped from their 150,000 sq. ft. warehouse in Streetsboro, Ohio. The remainder are pallet shipments to the 'brick and mortar,' retail distribution centers that have been their principal sales channel until only recently.

The person responsible for ensuring orders flow smoothly, accurately, and profitably is Raymond Soltes, Director of Information Technology at AHB. According to Mr. Soltes, capitalizing on online sales opportunities meant transforming their operations. AHB needed to overhaul their order picking and shipping processes to accommodate high volumes of smaller orders and shorter shipping windows, with an eye towards increasing profitability.



SUPPLY CHAIN NETWORK SOLUTIONS

"To make the same profit as shipping three or four pool tables by LTL we need to ship about 50 parcels, because the labor costs are so much greater," Mr. Soltes explains. "HighJump's small parcel and LTL shipping solution allowed me to impact those costs right away. And because of how well it integrates with their WMS, getting it was really a no-brainer. It's been a total game-changer for us."

THE "BEFORE" PICTURE

The Streetsboro warehouse was a chaotic environment that employed many complex, error prone, and manual processes. "It was bad; actually it was kind of comical at times," Mr. Soltes remembers. "We averaged six or seven picking errors per day. Never mind that it was not all that uncommon for us to load a Fedex truck with UPS shipments."

Items were picked from the warehouse using a zone picking methodology where more than one picker would pick multiple orders simultaneously. This process allowed the warehouse to increase picking productivity, however, the resulting consolidation at the shipping station for aggregation and manifesting was a nightmare. "I'd find myself in the late afternoon at least two or three times a week having to go out into the warehouse and grab somebody to help gather up packages at the parcel station because some order had to make it onto the last truck," recalls Mr. Soltes. Eventually AHB had to hire a second shift to pick parcel orders at night and preload trucks by the next morning, but they were still challenged to meet their three 3-day shipping window.

"Our shipping station used to be a big mess," Mr. Soltes describes. "There would be piles of boxes making up numerous orders, each with multiple quantities of multiple items. A forklift driver might bring over ten of the same item. But we had to sort them by order, because the carriers' shipping computers could only print shipping labels out by order — it was an all-day process."

THE SOLUTION: HIGHJUMP'S SMALL PARCEL AND LTL SHIPPING SOLUTION

AHB lives up to its vision of superior customer service by making next day deliveries available. At the same time, it was able to reduce labor costs through streamlined warehouse operational processes.

The result; one warehouse operator can now do the work of many! Using HighJump's small parcel and LTL shipping solution, AHB was able to cut labor costs by integrating shipment label creation into the outbound order process. After the orders are picked, the only thing left to do is take them straight to the truck, no more shipping or staging!

Since all of the items in the warehouse are stored in (ready to ship) flat packs, AHB can use a standard WMS process called 'label picking.' Instead of using picking tickets, a unique license plate label is printed from the WMS for each carton in bin location sequence; in this case, it's a carrier-specific shipping label. Multiple orders can be released in a wave simultaneously so that the picker can be efficiently routed through the warehouse to save steps.

As a result of the pre-labeling process, shipping bottlenecks are eliminated! No requirement to consolidate orders at the shipping station and no more manual shipment processing. All the shipping work is done seamlessly in the background.

"Today our parcel shipments are picked, labeled, and on the truck by lunchtime," Mr. Soltes grins. Instead of struggling to meet a 72-hour shipping window, AHB can now easily ship any order within 24 hours, even at peak times. Orders placed by 7:00 a.m. are fulfilled same-day. This is crucial to meeting the expectations of online consumers and the major e-tailers that serve them.

BENEFITS

Intangible Benefits

- Improved customer service
- Improved vendor scorecard leading to improved product promotion by retailers
- Peace of mind!

Tangible Benefits

- Reduction in labor, including eliminating a second shift and eliminating the need to sort items into orders, manually manage labeling and manually input tracking data and choose a shipping account number
- Reduction in "touch points" from rack to truck process from at least four to two
- Increase in throughput from a "tough" 72 hours to an "easy" 24 hours
- Increase in shipping accuracy (80+% reduction in shipping errors)
- Reduction in chargebacks from vendors from 6+ per week to almost none
- Window for delivering vendor orders (tough 72 hours, easy 24 hours)

LEARN MORE:

www.americanheritagebilliards.com

"Yes, our shipping accuracy has gone way up and our cost to ship a package has gone way down. But, most importantly, our sales are increasing because our vendor scorecard has improved."

– Raymond Soltes
Director of Information Technology

ABOUT HIGHJUMP

In almost every industry, buyers are becoming more fickle, and more demanding. For logistics executives, effectively meeting buyer needs has become a relentless quest for speed and agility. Traditional supply chain solutions – siloed, complex and hard-to-implement – no longer suffice, as competitors find ways to deliver goods faster and more profitably.

In this "now" economy, HighJump helps you stay agile, with adaptable, connected solutions that harness the power of your trading partner community. From the warehouse to the storefront, from the desktop to the driver's cab, we can help you achieve new levels of supply chain responsiveness, performance and profitability.

HighJump's suite of warehouse management, business integration, transportation management, and retail/DSD solutions form a complete, powerful and adaptable platform that allow you to drive growth, customer satisfaction and revenue. **HighJump: supply chain accelerated.**

www.highjump.com



After orders have been picked, packed, and shipped, the integration between AHB's Microsoft Dynamics GP ERP system and the WMS updates each order with tracking numbers!

RESULTS

"Once an order leaves the front office there are only two people who touch it: the person who does the wave and the person who does the pick—and neither of them has to concern themselves with how it's shipping, or how fast it needs to ship or what else is shipping with it," Mr. Soltes clarifies. "Whereas before we got HighJump's small parcel and LTL shipping solution, I would have a minimum of four people involved in that process... and they would have to read the paperwork and hit the right keys on the keyboard."

Besides radically reducing the labor cost associated with parcel shipping, the solution has slashed shipping errors by at least 80%: from six or seven per day to "maybe one per week." This has greatly reduced chargebacks from retailers, as has the 300+% increase in shipping speed and efficiency. "I'm not paying retailers to sell my products anymore," quips Mr. Soltes.

But the bottom-line benefits of this solution go well beyond cost savings. "The fact that I can get my orders out faster and more accurately is actually improving our sales," Mr. Soltes asserts.

Drop-ship merchants rate vendors using scorecards. A major metric on any vendor scorecard is its turnaround time on orders. On-time shipping not only eliminates chargebacks, but also gradually improves a vendor's score. Retailers promote higher-scoring vendors' products more intensively; for example, by putting them first on web pages.

"Our retailers promote AHB products more, so our products get in front of consumers more often and faster, which allows us to sell more products," confirms Mr. Soltes. "Yes, our shipping accuracy has gone way up and our cost to ship a package has gone way down. But, most importantly, our sales are increasing because our vendor scorecard has improved."

Since going live with HighJump's small parcel and LTL shipping solution just six months ago, AHB has averaged 201 shipments per day. Its peak volume was 1,205 shipments in one day, and 2,687 shipments in a five-day period (December 15 through 19, 2014). All this was accomplished with one warehouse shift, within a 24-hour shipping window, without the need to hire additional staff.

THE HIGHJUMP TEAM IS HERE TO HELP!

If you have any questions regarding HighJump or how our products can improve your business, our passionate team is here for you.

Call us today at 800.328.3271. or email info@highjump.com

HighJump™

SUPPLY CHAIN NETWORK SOLUTIONS