

“Extended Enterprise Management brought perfect clarity to our inventory management.”

Jonah McIntire, Supply Chain Improvement Bear
Build-A-Bear Workshop®



Build-A-Bear Workshop®
Manhattan
is a Supply Chain
Leader
Associates



Headquarters: St. Louis, MO

Distribution centers: Three in the United States, Canada and United Kingdom; 10 services centers around the world

Manhattan solution: Warehouse Management, Extended Enterprise Management

Challenge:

Build-A-Bear Workshop was challenged to reduce costs while continuing to deliver high levels of service.

Solution:

Manhattan selected based on ease of implementation, integration with in-house capabilities, ability to holistically manage warehouse components.

Result:

Reduced transportation and labeling costs, optimized inventory and shipments, increased buying focus, decreased fuel exposure, improved capacity consideration.

Build-A-Bear Workshop® keeps hugs, fun and friendships flowing worldwide with Manhattan solutions

Eliminating Waste and Optimizing Inventory Management

Build-A-Bear Workshop, Inc. is the only global company that offers an interactive make-your-own stuffed animal retail-entertainment experience. In a little more than a decade, the company has grown from a single location to an operation that includes more than 408 stores in 19 countries. To keep up with increased sales growth while continuing to deliver an excellent retail experience for its Guests, Build-A-Bear Workshop® built a global supply chain network that handles between 4,000 and 7,000 active SKUs and includes three main distribution centers in the United States, Canada and the United Kingdom as well as 10 franchisee service centers around the world.

A goal for the Build-A-Bear Workshop supply chain team involved moving focus away from the averages. Jonah McIntire, Build-A-Bear Workshop supply chain improvement bear explained, “We wanted to ‘de-average’ everything instead of trying to move the mass. We wanted to examine the exceptional cases where too much was spent moving one particular item. We felt we would be most effective addressing and staying ahead of those opportunities.”

Manhattan Selected for Ease of Implementation, Maintenance and In-House Capabilities

Build-A-Bear Workshop conducted most of its due diligence when evaluating potential warehouse management solutions. The retailer selected Manhattan Associates’ solution based on its industry-leading technology that helps holistically manage all of the key warehouse components—space, people, inventory and equipment. However, McIntire was equally impressed with the additional functionality that Manhattan could offer through its Extended Enterprise Management.

“We envisioned Extended Enterprise Management as the last layer we needed to make our new supply chain complete,” McIntire said. “We wanted a wrap-up mechanism to drive down exceptions for newly developed routes or recently added vendors, for example.”

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Knowing that every carton is coming to us allows us to take the next step toward fulfilling or increasing available-to-promise inventory.

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McIntire was also impressed with how easily Extended Enterprise Management could be rolled out and maintained in the company's operations. However, one of the biggest differentiators came down to the holistic visibility and information platform that Manhattan's Extended Enterprise Management offered over the competition.

An On-Time and On-Budget Implementation!

Build-A-Bear Workshop launched Manhattan's Warehouse Management solution to approximately 150 users. Extended Enterprise Management is rolled out to 30 vendors and 97% of the company's volume—the majority of which comes from China—is on Extended Enterprise Management.

According to McIntire, the implementation as a whole was on time and on budget, meeting the company's expectations in this respect.

“Our trading partner management capabilities easily and naturally integrated with the new Warehouse Management solution,” he said. “Manhattan worked closely with our team to ensure our two-administrator purchase order writing module tightly integrated with both the Warehouse Management and Extended Enterprise Management solutions.”

According to McIntire, Build-A-Bear Workshop has a formal on-boarding procedure for vendors. “We notify vendors that they will be required to start labeling all their goods and telling us about work in process as well as shipments through Extended Enterprise Management. We describe the solution to vendors as an information clearinghouse, allowing them to see their purchase order in an electronic format,” he explained.

Being on Extended Enterprise Management also provides vendors with a record of when Build-A-Bear Workshop receives their goods.

Build-A-Bear Workshop successfully uses Extended Enterprise Management for accurate vendor score carding and compliance, also applying it to general risk and interruption exposure.



“Extended Enterprise Management brought perfect clarity to our inventory management,” McIntire said. “Knowing that every carton is coming to us provides a pretty good argument for taking the next step toward fulfilling or increasing available-to-promise inventory.”

Additionally, Build-A-Bear Workshop realized immediate cost reductions with Extended Enterprise Management because it was no longer necessary to label cartons at points of arrival. The company now depends on labels generated by its vendors through Extended Enterprise Management, before they ever ship product.

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If we know every carton that is going to be available next week, then we can do a good job of deciding how to ship them. That's where we get the most return.

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“We save because we are not buying labels, maintaining printers, and labeling boxes for each vendor. We are able to bring in goods the same day they arrive instead of having to break them off pallets, label the products, and then restack them,” McIntire explained.

McIntire relishes the longer term benefits from gaining a sort of institutional memory with Extended Enterprise Management.

“When people talk about improving visibility, they tend to think of just tracking and tracing, but it's more than that,” McIntire said. “It's actually having a collective, organizational memory, or single center of intelligence. That makes Extended Enterprise Management a powerful enabler.”

And, those enabling capabilities now help Build-A-Bear Workshop optimize its shipments. “If we know every carton that is going to be available next week, then we can do a good job of deciding how to ship them. That's where we get the most return,” McIntire added.

Manhattan's Extended Enterprise Management is a “Bear” Necessity for the Future

In addition to the reduced transportation costs, Build-A-Bear Workshop has realized benefits in other areas of its business:

- Increased focus on buying the right product instead of worrying about filling containers;
- Decreased fuel exposure risk due to less network miles driven; and
- Improved capacity consideration for constraints downstream in the supply chain.

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As we continue to grow our business, the ability to view each market and each product as its own supply chain with its own requirements will be critical to creating cost-savings and delivering the kind of service everyone needs.

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As Build-A-Bear Workshop continues to shape the playground of the future, McIntire sees Extended Enterprise Management as a key enabler for future supply chain functions, both within the company's four walls and across its channels. According to McIntire, "As we continue to grow our business, the ability to view each market and each product as its own supply chain with its own requirements will be critical to creating cost-savings and delivering the kind of service everyone needs."

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When people talk about improving visibility, they tend to think of just tracking and tracing, but it's more than that. It's actually having a collective, organizational memory, or single center of intelligence, of what's happened in your supply chain. That makes Extended Enterprise Management a powerful enabler.

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North and South America +1 877.596.9208 • Europe, the Middle East and Africa +44 (0)1344 318000
Asia Pacific +61 (0)2 9454 5400 • www.manh.com

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