CASE STUDY: Colavita

OVERVIEW

Colavita USA is a fine Italian food importer serving the United States and North America for over 30 years. The company specializes in cold-pressed extra virgin olive oil, vinegars, pastas, and other authentic specialty food products. Colavita is using Robocom's Warehouse Management System (WMS) in conjunction with Robocom's industry-leading wholesale distribution Enterprise Resource Planning (ERP) system, Next Generation.

CHALLENGES

Colavita has been running Robocom's Next Generation ERP Software since 1996. So it made sense to once again look to Robocom when the company found itself facing a number of warehouse management issues.

"Inventory management was becoming a significant challenge for us," explains Simon Boltuch, Chief Financial Officer for Colavita. "As a distributor of perishable goods, it is very important that we are able to rotate our inventory. In an ideal situation, our workers put the products where they are supposed to go. Or we could centralize all of the same items in one location. But for a variety of reasons, that isn't often the case. Consequently, during the picking process, workers won't necessarily pick the oldest items first; in fact, they may not know where those goods are. The consequences are lost inventory due to expiration dates and lost revenue."

During the busy season, it grew increasingly harder for Colavita to keep up with order demand, and the picking process was very inefficient. "We needed a system that could implement the controls, process and discipline to streamline our warehouse management process and deliver 100%, real-time visibility across our inventory," says Boltuch.

SOLUTION SNAPSHOT

BUSINESS CHALLENGE

Colavita found it difficult to keep up with order demand during the busy season due to an inefficient picking process.

ROBOCOM SOLUTION

The company chose Robocom's Warehouse Management System (WMS) to implement the controls, process and discipline required to streamline its warehouse management operations.

RESULTS

Since implementing the WMS, Colavita has realized tremendous results, including near 100% inventory accuracy, real-time visibility, accurate traceability, increased productivity, and an overall boost to inventory accuracy by approximately 15-20%.

SOLUTION

The ability to manage inventory is key to growth for Colavita's business. To keep up with the demand, it was clear the company needed to take its inventory control and fulfillment to the next step. Next Generation offered Colavita great Inventory Control and Replenishment Control to maintain "just-in-time" inventory levels, as much as an importer in its business model can achieve. But the company needed to extend that control to the warehouse.

Colavita looked at a number of solutions, including RedPrarie, but concluded that its investment would have been double that of Robocom. "Robocom's WMS product had all the features we were looking for, including the ability to capture 'Best By Date' within the system," explains Boltuch. "It was the most cost effective solution by far with demonstrated success within our industry. And we already had a long-term, trusted relationship with Robocom."

BENEFITS

Since implementing the WMS, Colavita has realized tremendous results, including near 100% inventory accuracy with real-time visibility.

"Robocom's WMS is addressing a number of challenges in our distribution facility," said Joseph Napoli, Colavita's Operations Manager. "The application provides extremely accurate traceability, increased productivity, and an overall boost to our inventory accuracy by approximately 15-20%."

"The addition of the Warehouse Management System fully integrated with our ERP system is a major step forward," says Boltuch. "Real-time updates for receipts and shipments are helping improve customer service and avoid data errors. The system runs very efficiently, providing a boost to our bottom line. We are now in a position to continue to grow the business without adding to the head count in the warehouse." In fact, Colavita was able to reduce head count by two to three workers by using Robocom's WMS.

With the WMS, Colavita now has a much more disciplined approach to its operations. As sales orders come in, they are entered into Next Generation. The orders flow automatically into the WMS system, where they are parsed out to the warehouse personnel on their barcode scanner. The scanner tells the picker the location of the item and what to pick. The system will direct the picker to pick based on the warehouse layout, not by how the order was entered, thereby saving the picker travel time in the warehouse.

As purchase orders get entered into Next Generation, they are electronically fed into the WMS for eventual receiving. When the product hits the dock, the WMS will instruct the user to put away the product based on stock space, sales velocity of the product, as well as the cube of the product. In addition to selling and receiving, the company can also perform partial, full, and "on-the-spot" cycle counts.

The ability to automatically conduct inventory counts has radically improved the company's ability to fill larger orders. "Merchandise lives all over the warehouse. It is impossible to have one specific spot for each item we distribute. In the past, if we had an inventory count or a large order to fill, it could take two days just to round up or count all of the items from across the warehouse. Today, with Robocom's WMS, all we have to do is hit a button to know where any item is at any given time. What once took us days now takes us minutes."

Boltuch says the new Robocom WMS is giving Colavita a competitive advantage with the ability to be far more agile. Now if an urgent order comes in, the company can fill that quickly and efficiently.

PARTNERSHIP

Boltuch says Colavita has had an excellent experience working with Robocom. "They put a lot of planning and thought into our needs and implementation, thinking of just about everything. It is clear they have lots of experience at this; they really provided the guidance we needed to be successful. Robocom is very cooperative and easy to do business with. They were and are a true partner to us. We are very happy with the cost and extremely happy with the results."

ABOUT ROBOCOM SYSTEMS INTERNATIONAL

Robocom Systems develops, licenses and supports Supply Chain Execution software solutions, including Warehouse Management, 3PL Billing, Transportation Management, Voice Technology and Labor Management. An Enterprise Transportation System and Enterprise Resource Planning System round out the Supply Chain Execution offering. Robocom's investment in research and development is keenly focused on the needs of the business leaders responsible for the day-to-day results in warehousing, distribution, third party logistics, transportation and trucking operations. For more information visit www.robocom.com