

## Panache Lingerie



Panache Lingerie is a privately owned manufacturer of lingerie and swimwear, specialising in the D plus market. Founded in 1982, Panache has enjoyed an increased turnover growth over the last few years, employs 120 people, and has offices in the UK, New York, Hong-Kong and Germany. Based in Sheffield, Panache operates from a 36,000 square foot warehouse and exports to 37 countries across the world.

Its customers include John Lewis, Next, , BHS, Bravissimo, Debenhams Littlewoods and ASOS.

The business owns five brands, Panache Superbra, Cleo by Panache, Masquerade Lingerie, Panache Atlantis (for cup sizes A-DD) and Panache Swimwear.

Core to Panache's success is its reputation for fit, quality and value for money, and its philosophy is to continually improve product lines, as well as sourcing and manufacturing practices. Panache's warehousing operations are complex as each product is available in up to 120 different sizes, resulting in a staggering 8,000 SKUs. Products are individually picked and then pre-retailed with hangers, swing tickets and size cubes

### Panache Lingerie Boosts Assets with Indigo

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adding further complexity to warehouse operations.

In March 2009, Panache launched a business review in order to ensure that warehouse operations were running at maximum efficiency, and supporting high customer service levels. The conclusions of this review identified a number of business challenges.

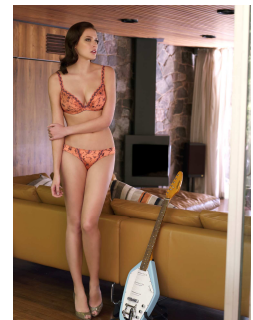
Panache found that some orders were not being despatched on time, and upon receipt, were inaccurate.

This resulted in customer complaints and an On Time In Full (OTIF) performance that fell short of Panache's high standard.

The review also found that productivity and efficiency was low, with logistics costs running over budget.

Nick Fournier, Head of Logistics, Panache Lingerie comments

"Some of the Panache export orders are picked and packed, but can then sit in the despatch part of the warehouse for several weeks awaiting payment from suppliers; on occasions, some packed goods were getting misplaced during this time period as storage of work in progress was



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*Nick Fournier Head of Logistics for Panache Lingerie*

not system controlled, while we had visibility of stock in our main warehouse, stock disappeared off our radar once it was picked.

This lack of visibility meant that providing customers with information on their orders was a very manual process, which inevitably impacted our service levels.

Resourcing the warehouse appropriately was also difficult as we had limited visibility of workload within picking, packing and despatch. We also had to cover an annual stock take which was expensive and resulted in the warehouse being closed down for a whole week. This only exacerbated some of the customer service and order fulfilment problems we'd been subject to, and was therefore not sustainable."

Following the outcome of the business review, Panache commenced a new initiative focused on developing people, processes and technology, to achieve operational excellence in its warehouse.

Panache was already using a warehousing solution from Indigo Software, which supported its core warehousing processes effectively. However the lingerie manufacturer's drive for operational excellence meant that it required greater functionality in order to support new processes and ensure greater levels of productivity, efficiency and service in all areas of the warehouse.

In order to achieve its new objectives, Panache decided to upgrade to Indigo's RealTime for System21 Aurora Interactive Warehousing

solution, Version 9, complete with Marshalling and Perpetual Inventory modules.

Panache chose Indigo's solution based on an existing relationship with the software specialist, proven capabilities of the solution and the fact that the modules were aligned perfectly with the challenges Panache faced. In particular Panache was impressed with Indigo's flexible approach to creating a solution which would support the warehouse's new marshalling process.

Panache went live with Indigo RealTime for System21 Aurora Interactive Warehousing Version 9 with Marshalling and Perpetual Inventory in March 2010, for 30 users.

"The project was excellent, being delivered with very few issues and to budget," comments Nick Fournier. "The implementation was planned well, with all modifications factored in at the outset, so there were no surprises along the way.

Indigo not only ensured that the implementation was seamless, and integrated the solution with our existing Infor ERP System21 Aurora enterprise resource planning software, but also provided advice on how we could improve our processes further to achieve industry best practice."

Just a few months after going live, Panache is already benefitting from greater visibility of orders, faster turnaround of orders, improved customer satisfaction and full

traceability of where, when and by whom stock was picked and packed.

"One of the biggest changes is our marshalling process as we now have two-step marshalling," comments Nick Fournier. "Upon receipt of an order, a product is picked along with the relevant size label, hanger and tissue, and sent to be packed. Then, having been packed, it is scanned again in despatch. This means that we know the exact status and location of all of our stock at any one time, we can update customers on their order status, and adjust resources accordingly.

"Indigo's consultancy was particularly valuable in this area as they helped us to change the marshalling process, and configured their solution to fit our business requirements, rather than us having to adapt our business processes to fit the solution.

"Our inventory has also seen vast improvements. Through using Perpetual Inventory we plan to relinquish our annual stock take," Nick continues. Accurate inventory is pivotal in helping us to understand the root cause of issues and ensuring fewer stock inaccuracies. However, doing an audit annually just wasn't sufficient to create a live picture of the warehouse. Now, the software manages inventory in a real-time ongoing way, resulting in major cost savings for the business."

"The Indigo solution has provided Panache with extra visibility and accuracy in order for them to manage and grow the business," comments Catherine Thornley, Lead Consultant

at Indigo. "The team's commitment to the project was second to none, and great organisational skills meant the project ran like clockwork. Defining operational problems, consultation with the users, and thorough testing ensured a successful implementation and a seamless project."

Indigo Interactive Warehousing runs on an IBM System iSeries and 30 hand-held barcode readers from Intermec.

"Through using hand-held scanning devices, we have eliminated stock accuracy problems entirely. Some products look very similar so the wrong products were sometimes despatched as a result of manual error. Now the barcode readers remove any scope for manual error and provide us with 100% visibility of our stock position."

In just 12 months, Panache's drive for operational excellence in warehousing has delivered major business benefits. Inventory is now 99.85% and OTIF has increased to 97% plus. Despatch lead times have reduced and customer complaints have disappeared.

"Productivity is now much higher and our logistics costs are set to come in 15% under budget for the year 2009/2010. Ultimately we're now able to handle 20% more volume with 18% less staff."

"We expect to see full return on our software investment within just three years," Nick concludes. "And while it is difficult to measure benefits to our brand and reputation as a result of

enhanced customer satisfaction, there is no doubt that the company is seeing huge improvements.

"We are on a continuous journey for improvement and are currently looking at how we can improve our inbound processes, so that when stock is pre-labelled at the supplier, we can scan on receipt at the pallet level.

"Indigo's consultancy and software continues to be a core element of our drive for operational excellence in warehousing, and we are looking forward to working together in the future as Panache continues to enhance its operations further."