

CASE STUDY: SALON SERVICE GROUP

salon
service group



Location: Springfield, MO

Industry: Distribution

Business: Professional Salon Products Company

Information: Salon Service Group

- Gino Barbo, Owner
- Shane Hanson, Vice President
- Debbie Dunn, Chief Financial Officer
- Sherman Monehan, Warehouse Manager

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STATISTICS

- Services 11 states from Springfield, MO warehouse
- 4,200 SKUs

WORKLOAD GROWTH

- Busiest day orders are up 89% over a year ago when FastFetch was installed
- Sales transactions by sales reps are up 40% over a year ago when FastFetch was installed

PICK RATE IMPROVED WITH FASTFETCH

- Average pick rate increased 3.4 times...from 55 lines per hour to 187 lines per hour (LPH) even though the pick path walk distance doubled (warehouse increased in size from 10,000 sq. ft. to 42,000 sq. ft.)
- Experienced pickers exceeded 230 LPH, new pickers between 85 LPH and 100 LPH.

PACK RATE IMPROVED WITH FASTFETCH

- Salon Service Group cubes the orders, then picks into the shipping boxes. As a result, with FastFetch, the number of packers was reduced from 6 to 8 down to 1 to 2.

FASTFETCH PICKING METHOD

- Batch picking with 12 boxes/orders per cart
- 7 carts with 12 light modules, tablet PC, voice, and bluetooth ring scanner
- 80 light modules on pick slots for fast moving SKUs
- Carts purpose-built for Salon Services Group by Creform Corporation, Greer, SC

SUMMARY

Salon Service Group is a distributor of professional salon products based in Springfield, Missouri. Founded in 1987, the company has over 200 employees and 28 stores in an eleven state distribution territory including Missouri, Oklahoma, Kansas, Arkansas, Tennessee, Kentucky, Minnesota, Wisconsin, Nebraska, Iowa and Texas.

Sales at Salon Service Group are assigned to either sales consultants or retail store locations. Using 2014 sales figures, approximately 75% of sales were handled in the field, and 25% were conducted in one of the company's 12 retail stores. The success of Salon Service Group is due in part to a commitment to service standards in the distribution center.

Total company sales transactions by sales reps are up 40% over the previous year. In April 2014, roughly 335 orders were shipped on the busiest day of the week. Today that number is 650, an increase of 89%. One reason for the accelerated growth is from acquisitions. In August 2014, Salon Service Group acquired *Next Step Salon Consultants*. In February 2015, the company acquired *ABCO Salon and Spa Services*. Phenomenal business growth and its impact on the warehouse is the primary reason Shane Hanson, Vice President, contacted Rick Froehlich of NextGen about the FastFetch order fulfillment solution.

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SHANE HANSON'S STORY

We have exceptional employees, and they were doing everything we asked of them, but we knew we needed to do something different with our order processing system and its impact in the warehouse because the 40% workload growth was killing us.

Our first commitment was to build a new, bigger warehouse that gave us three times the space. That gave us more storage and wider picking aisles; but it also doubled the walking distance required to pick an order. Push carts, paper picking tickets, and a longer pick path – all contributed to making it a whole lot harder for our people to be productive.

We scrutinized every possible picking system offered...and there were a bunch of them. By the end of our evaluation, there was no question that FastFetch was a decision we needed to pursue. The combination of voice, pick-to-light, and scanning was the best alternative.

Rick Froehlich, of NextGen who represents FastFetch, said that we needed to see if there was a “Business Case”. Gino Barbo, our owner, made the same request, so that’s where we started. The initial analysis suggested an R.O.I. of less than 12 months, so we made plans to deepen our understanding of FastFetch.

Our first step toward a more in depth understanding of FastFetch occurred when Rick and I met at Stanley Black & Decker for a site visit. They say “a picture is worth a thousand words”. The site visit proved to be a great experience. Afterward, with what I’d learned at SBD, Rick and I met over lunch to brainstorm how we might use FastFetch at Salon Service Group. Rick took what we discussed at that meeting and put together a proposal for us.

The next step was to see if we could take advantage of what FastFetch does on the physical picking side by enhancing integraSoft, our ERP software system. One of our biggest challenges with salons is that they are staffed by individual stylists who order separately but expect freight savings by asking us to ship all their orders together. integraSoft gave us the ability to combine multiple orders into a single shipment, making FastFetch far more efficient, and reducing freight costs for our customers. integraSoft also made it possible to automatically update picking and shipping feedback into customer orders and charge credit cards at the same time. This helped SSG to electronically manage customer orders vis-à-vis a dashboard instead of paper, as well as eliminate and repurpose back office resources previously necessary to finalize the invoicing of the customer.

With integraSoft on the front end and FastFetch on the back end, Salon Service Group delivers efficiently and effectively. Neither FastFetch nor integraSoft own a nickel of our business; but you’d think they did by the way they worked together to achieve what we set out to do with this project. Without exception, every single person who had anything to do with our FastFetch implementation delivered to our highest expectations.

Contact NextGen DC Systems

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