



# PERFORMANCE PROFILE

A DC VELOCITY SPEED CHALLENGE

## A perfect fit

**An automated storage and picking system delivers the goods at BHFO, eBay's top fashion e-tailer.**

WHEN JON AND STACIE SEFTON BEGAN BHFO IN THEIR IOWA BASEMENT 11 years ago, little did they imagine it would grow into a company with \$30 million in annual sales. This past March, the Seftons moved their family success story into a highly automated distribution center near their home in Cedar Rapids. At the heart of the facility is the OPEX Perfect Pick storage and picking system. The technology features 20 robots known as iBOTS that move totes holding about 200,000 products between storage positions and four goods-to-person picking stations, making this automation as fashionable as the designer garments and accessories it holds.

"BHFO started out as B&H Factory Outlet. The B and the H stand for our daughters, Brittany and Hannah, and then F.O. is for Factory Outlet," explains Stacie Sefton, the company's CEO and primary buyer. The company purchases liquidation overstocks and returned merchandise from fashion designers and department store chains and offers them to online customers at a fraction of retail prices. Currently, BHFO is eBay's largest fashion seller. BHFO is also moving into other markets worldwide through partnerships, a presence on Amazon.com, and its own website. It is additionally expanding its offerings beyond women's fashion and accessories to include men's and children's clothing and household goods.

Being in the overstock business means that many of their products are one-of-a-kind SKUs. Handling such a variety of products requires a good inventory tracking system, speed, and accuracy. Perfect Pick offers the perfect fit.

### Fashionably on time

Prior to moving into the new 240,000-square-foot building last March, BHFO had been distributing from two smaller manual warehouses. The automation allowed BHFO to consolidate its operations and deliver products more quickly and accurately. In the old buildings, it would normally take two days to process most orders. But in the e-commerce world,

customer expectations are higher than that.

"When we moved into this facility, we had plans to move on to different marketplaces and grow internationally. Yet we still wanted to meet the expectations of our online customers to where we can get them their orders in the shortest period of time," explains Matt Wade, chief operating officer. "Now that we are operating at capacity with this system, we are able to ship out over 95 percent of our domestic orders within one day."



The Perfect Pick system consists of four 80-foot aisles manned by the 20 iBOTS, five per aisle. These bring totes of products when requested to workers at four processing stations. Each station has been designed to handle up to 200 I/Os per hour. The stations are mirrored, meaning that they are side-by-side without a conveyor dividing them. That allows one operator to man two stations as needed.

The system also provides BHFO with room to grow. Aisles can be expanded to 200 feet, and additional iBOTS can be added to each aisle to increase throughput to meet processing volumes. Pick stations can also be installed on the back end of the aisles, and the Perfect Pick can also double in size with four additional aisles.

Another benefit BHFO found in Perfect Pick was its short project turnaround. The BHFO system was up and running in just four months.

"We conducted research on a lot of different systems," says Sefton. "The Perfect Pick was a great fit for us because of the way it is structured. We were able to take advantage of our tall ceilings in our warehouse and maximize the space. And then we're not going to grow out of this system, as we would have with some of the other systems we were looking at."

**To view a short video of BHFO's Perfect Pick system in action, go to [dcvelocity.com](http://dcvelocity.com) and look for the Velocity Video.**

