

## CASE STUDY: Arbonne International®

### QC Software Puts a New Face on Arbonne's Explosive Growth

Norwegian entrepreneur Petter Morck's vision was to develop skin care products unparalleled in quality and effectiveness. In 1980, he started a U.S. company to distribute Swiss-formulated skin care products that are pure, safe and beneficial. Today, Arbonne International, LLC, is a direct sales company that operates in the United States and Canada.



Marketed through a network of independent consultants, Arbonne's product line has grown from 19 items to over 250 skin care, color, nutrition, weight loss, and aromatherapy products as well as over 50 seasonal products. With a growing reputation for excellent products, supported by over one million independent consultants doing business in the U.S. and Canada, Arbonne found that its distribution facility just couldn't keep up with demand.

#### PROJECT HIGHLIGHTS:

- Increased order fulfillment capacity while reducing number of pick lines in half.
- Accurate cartonization allowing orders to be picked directly into shipping cartons.
- Consistent operational functionality across multiple facilities.
- Seamless migration from legacy WMS to Oracle.
- Dynamic workload balancing.
- Short pick validation.

To support this growth, Arbonne needed to invest in a state-of-the-art automation system. DPI Material Handling Systems, Inc., was chosen to evaluate Arbonne's operational requirements and implement a turn-key solution which addressed their current and future needs. A key component of the proposed solution was the selection of QC Software's QC Enterprise™ WCS software to provide order fulfillment and material handling integration services. Early on in the selection process, Arbonne decided that the construction of a second centrally located distribution facility was an essential requirement in addressing growth and critical business processes. A strategic factor in the selection of the QC Enterprise™ WCS software was the necessity to partner with a single software provider whose solution could manage the different material handling layouts required at each site through simple configuration changes, while maintaining identical operational functionality.

Cost-effective management tools with high-level functionality for your warehouse operations

Arbonne's existing distribution center in Irvine, California originally used a simple pick-and-pass process in which every order was touched by each operator as the order was handed off from zone to zone. The inefficiencies inherent in this style of picking restricted their ability to keep up with their growth and increasing order volumes. With the implementation of the new material handling system coupled with the QC Enterprise™ WCS, Arbonne was able to significantly increase order processing capacity with increased accuracy and reduced processing times. The cartonization function of the QC OMS™ module optimized pick-and-pack operations by selecting the proper quantity and size of cartons required for each order. This eliminated the time-consuming process of erecting cartons at the packing stations and the transfer of items from pick totes to shipping cartons.

QC OMS™ was also used to manage the Pick-to-Light (PTL) system to facilitate quick and accurate picking. The user interface screens provided by QC OMS™ provided management personnel with greater visibility of work-in-process orders.

As with the QC OMS™ module, Arbonne was able to realize a substantial increase in productivity by employing the QC Navigator™ component of QC Enterprise™. Under the direction of the QC Navigator™, the zone skipping feature of the automated conveyor system eliminated the unnecessary handling of cartons in zones which had no pick task requirements. Further productivity gains were realized with the implementation of an in-line scale used to ensure order accuracy. Cartons that fail weight verification are directed to a QC operator for visual inspection.

Phase II of the Irvine implementation included integration of the two existing pick lines. This made QC Enterprise™ the single point of communications between Arbonne's Warehouse Management System (WMS) and material handling equipment (conveyors and pick-to-light).

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**I have found QC Software personnel to be very responsive and professional to our 24 x 7 support needs. Their support is second to none!**

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--Richard Estalella  
Senior Vice President

Phase III of the Irvine installation resulted in the implementation of the QC Shipment Management System (QC SMS™) to streamline the shipping process by providing a single shipping system to process all orders while still using multiple carriers. Operators no longer had to manually separate orders by carrier. Further cost savings were realized with the installation of an automated print & apply system which eliminated the labor-intensive process of manually weighing and applying shipping labels to each carton. Cartons now flow from packing to the proper dock door, based on carrier, without manual intervention.

Once shipping operations at the Irvine facility had been enhanced, Arbonne was able to focus on the construction of a new, centrally located distribution facility. In July 2006, Arbonne opened its new facility in Greenwood, Indiana. This 208,000 square foot complex serves approximately two-thirds of the U.S. shipments, handling over 20,000 packages daily! The new facility was a critical addition in addressing Arbonne's current and future business objectives. This strategically located distribution center has allowed Arbonne to reduce the delivery timeframe, thus improving overall satisfaction among customers and consultants.

To better serve their Canadian customers, Arbonne partnered with a third-party logistics (3PL) company in Mississauga, Ontario to manage their distribution operations in Canada. In late 2006, QC Software was once again the WCS solutions provider of choice.

This implementation featured QC OMS™ Lite which provided manual picking via pick sheets. The QC SMS™ module provided a shipping manifest solution consistent with Arbonne's automated warehouses.

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**The core WCS QC Software system was already in place and only required minor modification for the unique Canadian variables. When a proof of concept like WCS is leveraged across multiple locations, it becomes quite affordable.**

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--Richard Estalella  
Senior Vice President

In the spring of 2007, Arbonne implemented Oracle's Warehouse Management System in all of their facilities. Because of its inherent design flexibility, QC Enterprise™ was easily reconfigured to adapt to this extensive change with minimal disruption to existing operations. QC Software's engineers worked closely with Arbonne's Oracle consultants to implement additional operational enhancements to tune the facility to its maximum potential. The biggest productivity gain was realized by the addition of a dynamic workload balancing logic incorporated into QC Enterprise™. With dynamic workload balancing, QC Enterprise™ selects the optimum pick location for multi-slotted SKUs based on current activity. This eliminates the inevitable imbalance that occurs when pick locations are allocated in advance by the WMS. Another feature added to QC Enterprise™ was a short-pick audit function in which short-picked items must be manually confirmed before the order is allowed to be packed out.

This eliminated unnecessary back orders caused by short picks due to temporary out-of-stock conditions. Orders with short picks can now be routed to an alternate picking location or to the original pick location once the replenishment transaction has been completed. These enhancements enabled Arbonne to increase productivity and order throughput, improve pick accuracy, and streamline operational resources to support future growth and order volume.

Cost-effective management tools with high-level functionality for your warehouse operations