

COMPANY: PEP BOYS
INDUSTRY: AFTERMARKET RETAIL AND SERVICE CHAIN

VOICE-POWERED RESULTS:

OBJECTIVE

- /// Achieve enhanced accuracy, efficiency and safety.

RESULTS

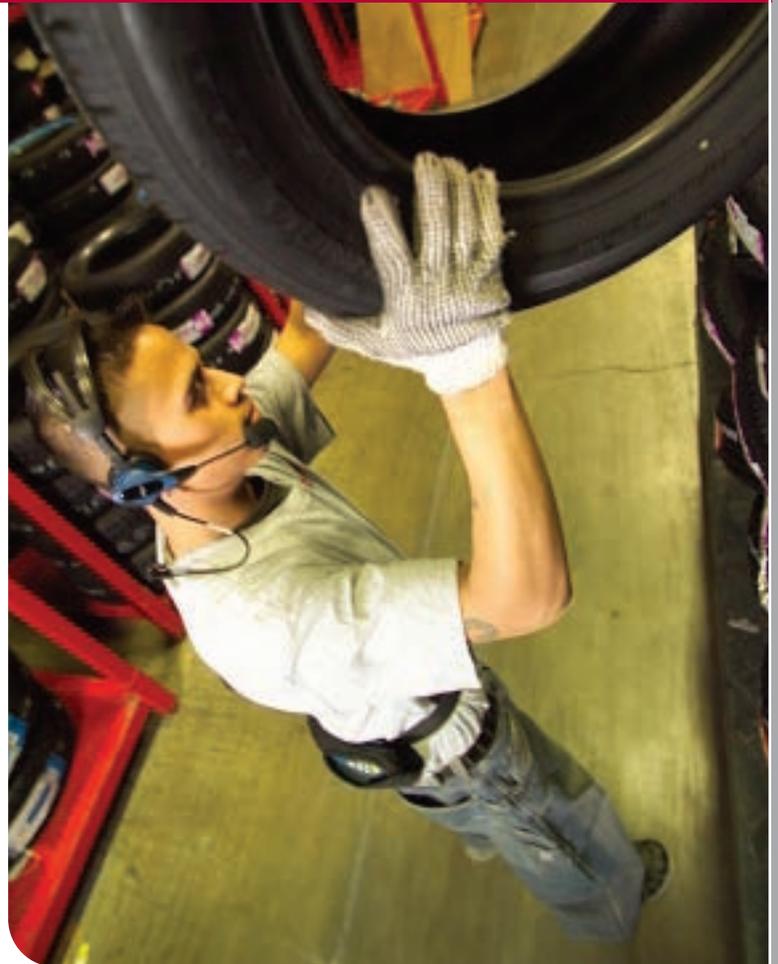
- /// Increased worker productivity by 12% over RF guns and by 21% over paper.
- /// Improved overall accuracy rate by .5% and improved accuracy in paper pick sections from 98.68% to 99.46%.
- /// Cut training time by at least 50%.

ROI

- /// Documented savings of \$3 million annually due to accuracy improvements.
- /// Achieved full return on investment within six months.

FUTURE IMPROVEMENTS

- /// Expand Voice-Directed Distribution to cycle counting and forklift applications such as replenishment and full-pallet picks.



Pep Boys Boosts Warehouse Productivity With Voice-Directed Distribution

Founded in 1921, The Pep Boys – Manny, Moe & Jack is the nation's leading automotive aftermarket retail and service chain in the United States, with 593 stores in 36 states and Puerto Rico, more than 6,000 service bays and total fiscal revenues in excess of U.S. \$2.1 billion. Along with its vehicle repair and maintenance capabilities, Pep Boys serves the commercial auto parts delivery market and is the only aftermarket chain in the nation that is capable of serving all segments of the automotive aftermarket.

Maintaining a high level of efficiency in warehouses is critical to the company's success. Toward this end, Pep Boys deployed Voice-Directed Distribution to increase productivity and improve accuracy throughout its distribution operations.

"We expected productivity improvements of 12% and we achieved them. But when we saw our accuracy rates increase over those we were attaining with RF scanning, we were very surprised. Our accuracy fill rate is averaging 99.63%. Considering we move more than 75 million items a year, a 0.5+% increase in accuracy is significant."

Stuart Rosenfeld
VP of Distribution
Pep Boys

THE CHALLENGE: **Move Millions of Parts With Warehouse Efficiency**

Pep Boys delivers more than 75 million items a year to its 593 stores through 1.8 million square-feet of DC space in Atlanta, New York, Indianapolis, Dallas and San Bernardino. Minimizing stock-outs is vital, and even small increases in efficiency translate into a large impact on the company's bottom line.

Before implementing voice, the distribution centers used a variety of pick methods. The Warehouse Management System (WMS) would print out a ticket with a pick list or replenishment request, which workers would pick up at a central location. Accuracy was low, because the tickets were frequently misread, or workers would sometimes neglect to fill the entire order. At times, the wrong parts were selected.

In an attempt to increase efficiency and accuracy, Pep Boys deployed RF scanning guns. The DC teams used the RF guns to scan the barcode of an item and assemble an order. But the guns required workers to input item quantities using keystrokes. Another disadvantage was that a worker had to put his or her RF gun down to pick an item. Not only were costly guns lost this way, but it also interrupted workflow.

"There is a lot of activity and movement in a typical warehouse, so it's paramount that team members have the ability to see what's going on at all times," said Jim Donahue, Manager of Supply Chain Systems for Pep Boys. "We were looking for an alternative that would allow a worker to accomplish his or her job both efficiently and safely."

THE SOLUTION: **Voice Powers Full Performance**

The distribution management team began researching and learning about potential alternatives. They visited several companies that were using Vocollect's Voice-Directed Distribution and received positive feedback.

"In paper pick sections, where we had the greatest opportunity for improvement, our accuracy rose from 98.68% to 99.46%. These performance gains alone are expected to save Pep Boys over \$3 million annually."

John Moreau
Distribution Manager
Pep Boys

Pep Boys initiated a two-month pilot program, agreeing to compare productivity and accuracy rates against RF scanning benchmarks to justify the return on investment. But the team received so much positive feedback in the first few weeks that Pep Boys decided to roll it out to all regional warehouse centers immediately.

According to John Moreau, distribution manager at Pep Boys, the company chose to implement with Vocollect's assistance, and its technical representative worked with them every step of the way.

"The implementation process was flawless and our operators were off and running immediately," said Moreau. "The only interruption to operations was the time it took each order selector to record his or her voice template and to attend a one-hour training session. We originally requested that Vocollect be on-site for five days, but they stressed that it would take no more than two days, and they were right!"

THE RESULTS: **Full Return on Investment In Just Six Months**

Within just six months, the impact of Voice-Directed Distribution on Pep Boys' bottom line has been significant. The company has documented increases in worker productivity, with voice out-performing RF scanning by 16% and 21% over paper. Accuracy improved as well by .5%, which also led to reduced return costs. In paper pick sections where the company had the greatest opportunity for improvement, its accuracy rose from 98.68% to 99.46%. These performance gains alone are expected to save Pep Boys over \$3 million annually.

Pep Boys also decreased training time by at least 50%, which has provided the company with more flexible labor reallocation. Workers also gained the ability to pick multiple orders at once and in reverse sequence, increasing customer service due to more accurate fill rates.

"I was surprised, to say the least, how easy it was for order selectors to adapt to this new technology," remarked Donahue. "After just 15 minutes with the new terminals, they looked like they had been using the system for years! But what impressed me most about Voice-Directed Distribution was how quickly our team accepted it. Vocollect is making it possible for Pep Boys to drive more value from our warehouse management system investment."

Based on its success with Voice-Directed Distribution, Pep Boys plans to apply it to other areas both inside and outside the distribution centers, including cycle counting and forklift applications of replenishment and full-pallet picks.



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