

CASE STUDY **Tuesday Morning**



**TUESDAY MORNING**

Tuesday Morning, headquartered in Dallas, Texas, is a close-out retailer with more than 850 stores across the United States. Tuesday Morning is a nationally recognized company that began in 1974, specializing in deeply discounted, upscale home furnishings, housewares, gifts and related items. Tuesday Morning's distribution center encompasses over one million square feet, 45 shipping docks, 300 storage trailers and 400 carrier haulers. Operations are spread over 4 warehouse locations with over 100,000 new SKUs each year.

**BEFORE INTERLINK**

Tuesday Morning used a paper-driven WMS developed internally which used spreadsheets to manage all warehouse activities. Tuesday Morning experienced a rapid expansion in 1994, growing the company from 200 to 400 stores. "Our business was becoming more complex because we never receive the same item twice," explains Mike Hester, senior vice president of supply chain at Tuesday Morning. Tuesday Morning was experiencing data entry delays, lost paperwork and misplaced product which caused processing delays. "When you manage manually, it's hard to be nimble and flexible. We had out grown our old system's capabilities," stated Hester.

**TUESDAY MORNING'S BUSINESS MODEL**

As a close-out retailer, Tuesday Morning's item master is continually changing. "Each time we receive an item, it's like receiving it for the first time," states Hester. Receiving

also requires an evaluation of the inventory to determine store allocation. Allocation is based on inventory levels at each store as well as demographics such as store size and location. After determining store allocation, the inventory requires product repackaging to stores spanning 43 states.

**INTERLINK'S WMS SOLUTION**

In 1994 Tuesday Morning selected Interlink Technologies as their WMS provider based on Interlink's flexibility, integration and customization capabilities as well as excellent references and price fit. Interlink's WMS solution, DC Wizard, interfaced with the automated material handling systems (high-speed sortation devices and conveyors) that were in use at the time.

Tuesday Morning recorded the following results one year after the successful implementation of DC Wizard:

- Doubled product flow through the warehouse
- Achieved 50% labor reduction
- Reduced cycle count time by 93%
- Realized a 6 month return on investment
- Increased productivity 400%
- Reduced physical inventory from 40 hours to 4 hours

Interlink is continually evolving their software offerings and in June, 1999, Tuesday Morning decided to upgrade to Interlink's AS/400-based **WHS<sub>e</sub>-LINK<sup>®</sup>** software with modifications to suit their unique business model.

Since the 1999 installation Tuesday Morning has continued to use **WHS<sub>e</sub>-LINK<sup>®</sup>** and has relied on Interlink to provide a multitude of services that go above and beyond a typical WMS project.

**"We have been using Warehouse Link for many years as our Warehouse Management System and we have used it for a lot of other things. We use it to tie into our allocation system, we use it for all of our e-commerce operations and we are using it now to tie into our transportation management system,"** stated Hester.

**WHS<sub>e</sub>-LINK<sup>®</sup>** provides Tuesday Morning real-time tools to manage their inventory and perform critical-path functions: manage then receive inbound loads and product, schedule and run production processing with real-time price tickets and packaging for store distribution, and direct group-route product aggregation and consolidation for efficient outbound shipments.

Additional implementations at Tuesday Morning have included integrations with a new ERP/accounting system, pack-to-Light system, pick-to-Light system, allocation system, and e-Commerce.

Tuesday Morning has been at the forefront of Interlink's GUI projects which brings Microsoft Office tools to the managers. About five years

ago Tuesday Morning began focusing on internet sales and Interlink was called upon to provide the solution to manage the e-commerce fulfillment, including a direct interface to FedEx for shipping.

"Link has helped us with many opportunities; from manifesting issues with the stores to being able to enhance our opportunities with ship to store, which saves customers shipping costs on large, bulky items ordered from the internet," said Mackie McKinnon, general manager of shipping department at Tuesday Morning. "Working with Link, we were able to take that part of the business (e-commerce) to the next level because we have the ability to now track those orders from start to finish. We also worked with Link to complete flowback to our stores for items that were slow moving on the internet. We now have an automatic system which picks like a normal order to ship it to the store for ourselves," explained McKinnon.

**RESULTS**

Tuesday Morning has calculated a 600-percent improvement in productivity, a 350-percent improvement in product throughput and an accuracy rate of over 90 percent since implementing the **WHS<sub>e</sub>-LINK<sup>®</sup>** WMS solution. "They have been a great partner over the years. They are absolutely, without a doubt, one of the most professional WMS and one of the most accessible WMS companies that I've ever worked with," states Hester.



**Warehouse Link software provides real-time solutions!**

