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Subject: Overton's/Gander Direct Case Study

<u>Company</u>: Overton's/Gander Direct, Gander Mountain is the nation's largest retail network of outdoor specialty stores for shooting sports, hunting, fishing, camping, marine, apparel, footwear and outdoor lifestyle.

<u>Opportunity/ Challenge</u>: Overton's faced multiple issues with their current storage solutions among their biggest challenges was poor cube utilization, wear and tear on their existing bin boxes, and ergonomic concerns for their employees. A major future concern was a massive influx of SKUs due to market segment growth in apparel. All of these issues combined ultimately to lead them to being out of space and needing to make a change.

Overton's main concerns were how to be able to manage SKU growth while insulating their employees from having to dig through pallets/totes on the ground or on shelf levels and how to reduce the use of step ladders to reach product stored overhead all while making their products more readily accessible and easy find.

They analyzed their data and found that they didn't having enough of the "right-sized" locations to support growth in their apparel product category. This product segment was growing dynamically and needed additional pick slots to support this rapid SKU growth and they needed them quickly!

<u>Options</u>: Upon seeing the **SpeedCell® Storage Solution** in different publications and having it being brought to their attention by Wayne Garris of Indoff, their dealer business partner, Overton's knew they had their solution.

Already having a horizontal carousel system onsite they knew it wasn't going to be flexible or scalable enough for this challenge, so they knew it wasn't a viable option to fix their problem. They also knew that they didn't want to spread their product over multiple locations which would lead to additional logistics and management challenges. Finally, they didn't want to take on the additional cost of adding a pick module as it would lead to more WMS costs as well automation and conveyance challenges.









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Solution: Overton's decided to install SpeedCell® into 4 bays during their peak season to test WMS compliance as well as fit and function. Upon completion of this trial they became very confident that it would work in their environment and thus the decision to move ahead was made, so they installed 88 more bays within their 267,000 sq. ft facility. This installation added 219 locations in each bay or 4,380 locations to each aisle for a grand total of over 17,000 additional locations within their current footprint with no additional structural additions.

The implementation of SpeedCell® not only increased SKU locations, but it has also reduced footsteps between picks thus increasing their efficiency and decreasing ergonomic concerns. Now their associates no longer have to crawl over boxes on pallets or climb on ladders to reach for products. By decreasing seek times they have significantly increased productivity and it has proven itself as a major time savings solution.

Results / ROI Implications: By adding 17,000 SKU locations to their current warehouse Overton's was able to increase storage capacity by 86% per bay. Increasing the number of SKUs per bay has also paid ergonomic benefits as well. By reducing footsteps per linear foot and by decreasing seek time for products has improved employee engagement and reduced daily fatigue. A net result of this installation has been that Overton's employees have increased picking and stocking efficiency by 25%.

Overall this project was deemed such a success that budgeting has been approved for additional rows of SpeedCell® in 2015. Now not only will apparel be stocked in SpeedCell® Bays but there are initiatives under way for footwear as well as high value items to be stored neatly and efficiently in SpeedCell®.



