

# Optimize inventory with Körber's supply chain intelligence tool

**Conn's HomePlus:** Opportunity for better inventory control



**National retailer optimizes inventory, increases turn with Körber supply chain intelligence and reporting tool.**

## Company profile

Conn's HomePlus has a business model different than that of most national retailers. Conn's sells a wide variety of products – furniture, mattresses, appliances, electronics and more – and that leads to a lot of mixed product picking for orders. Additionally, the retailer offers final-mile delivery and in-home installation for customers in its local markets.

Today, Conn's has 117 retail stores spread across the Southern United States, along with a growing eCommerce business.

Several years ago, Conn's replaced its homegrown warehouse management system (WMS) with K.Motion Warehouse Advantage for the Cloud. Körber is now used at 167 sites, including warehouses, cross-docks and stores.

## Quick facts: Conn's HomePlus

- **Headquarters:** The Woodlands, Texas
- **Number of Stores:** 117 retail stores across the southern United States
- **Solution:** K.Motion Warehouse Advantage; K.Sight Pulse



## Challenge

Conn's saw major improvements with inventory control, put-away, picking and cross-docking after implementing K.Motion Warehouse Advantage in the cloud. But the company sought deeper data that would drive actionable insights and identify areas with room for additional optimization. Specifically, it wanted detailed information about inventory to increase turn.

The Texas-based retailer needed visibility into its expansive network of stores, cross-docks and regional warehouses. It sought reports for time to completion of customer pick-ups, total inventory dollars, inventory movement and more.

Furthermore, Conn's needed the ability to break down all this data by market and individual site.

## The solution

Conn's selected K.Sight Pulse, a tool built on the common Körber One platform to provide real-time, actionable supply chain analytics. Since the two applications have a shared architecture, Pulse was a "plug and play" solution that could easily and quickly integrate with Körber WMS.

K.Sight Pulse is equipped with more than 30 key performance indicators (KPIs) out-of-the-box, but Conn's has a unique business model and chose to develop its own metrics and dashboards. Pulse serves up all information in real-time, so any adjustments can be made in short order.

"I would say the ease of development, once you've got the insight, is a major benefit of Pulse," Conn's Project Manager Michael Lockett said. "We came to understand that we could build links into Körber WMS and pull real-time data and really start to drive Conn's business. That was of more interest to the business than the historical trend analysis."

K.Sight Pulse measures a variety of inventory KPIs, including total inventory dollars, total damaged or open inventory dollars and what the company calls "recon dollars." These recon dollars represent the value of any items where there is a discrepancy between the ERP system and the WMS. Körber WMS requests a financial snapshot of every SKU at every location from the ERP, then flags any products where the two numbers do not match so it can be investigated and resolved. This total represents possible inventory adjustment dollars.

K.Sight Pulse also tracks how many inventory adjustments are executed month-to-date, which can be drilled down to regions and stores.

"The retail environment right now is all about inventory turn and holding costs and having the right stuff at the right place. All of that is driven by inventory accuracy," Lockett said. "If you know what you have where, it's that much easier to order the right product, identify the right product in the pipeline and get it to the right places where sales are going to turn it the fastest."

There are three primary user groups for K.Sight Pulse at Conn's: inventory control, distribution and retail store district managers. Inventory control takes a more holistic view, looking across the distribution network to pinpoint any potential issues with inventory counts. K.Sight Pulse is especially critical for this group because they oversee all 167 sites. It allows the team to review and audit inventory from all these links in the supply chain in one place.

Finally, the retail store district managers have visibility into their region and can find any stores that are not maximizing inventory turn. There may be an opportunity with inventory accuracy for certain products across multiple stores that can be identified using the tool.

## Results

The Conn's team is now empowered to make key decisions based on the insights K.Sight Pulse provides across its distribution network. KPIs can be displayed in different formats, including various types of charts and graphs. The IT team can continue to build out new KPIs as the business opportunity arises.

"I will say that having the visibility and the consistency across all Conn's business pieces has allowed the business to identify places where it can drive improvement," Lockett said.



“It’s helped Conn’s to understand where their process is failing and where they need to shore up the business on a store, warehouse, or individual basis.”

### Future plans

In the near future, the Conn’s team plans to add productivity metrics to K.Sight Pulse. The module will pull this data from the company’s workforce management software, as it can integrate with a number of outside business solutions. These reports would show statistics like performance by individual based on piece per hour.

New productivity metrics could justify the need for big screens in the warehouse showing performance in real-time. Currently, the retailer only accesses this information on computers since it is primarily a tool utilized by management. But it would make sense for the workforce to see this data once it builds these new reports.

Conn’s HomePlus will only become a more innovative, efficient business with the help of K.Sight Pulse.

“Conn’s is excited to discover new ways to leverage Pulse,” Lockett said. “It will continue to expose areas of the business that have the potential to make a real financial impact, and support the continued growth of Conn’s.”

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— Michael Lockett, project manager at Conn’s HomePlus

