



Life Fitness

Life Fitness
Franklin Park, Illinois, USA
<http://www.lifefitness.com/>

Challenge

- Difficulty finding floor-stocked product:
 - ✓ 125 SKUs
 - ✓ 8,000 units
 - ✓ Single 70,000 sq. ft. locator in Oracle E-Business Suite
- Productivity slowed by product search
- Packaging damaged by over-handling
- Old inventory "lost" under new inventory
- High labor costs during peak season

Solution

- Oracle Mobile Supply Chain Applications
- DSI Consulting Services
 - ✓ Solution design
 - ✓ Project management
 - ✓ MSCA implementation
 - ✓ Wireless infrastructure
 - ✓ Equipment provisioning
 - ✓ Training
 - ✓ Support
- Motorola long-range bar code scanners
- Reflective location identification signage

Results

- Reduced labor cost per piece by 31%
- Reduced overtime by 95%
- Eliminated need for temporary workers and 3rd shift during peak season
- Decreased inventory level by 10%
- Achieved ROI in 6 months



Life Fitness

DSI® helps fitness equipment manufacturer get its warehouse in shape with complete, single-source Oracle MSCA solution

Life Fitness, a subsidiary of Brunswick Corporation, manufactures some of the highest quality cardiovascular and strength-training equipment in the world. When its commercial products warehouse in Franklin Park, Illinois, needed help getting in shape, the company turned to Data Systems International® (DSI®).

Challenge

Life Fitness's warehouse contained 70,000 square feet of floor-stocked serialized product, all assigned to a single inventory locator in Oracle E-Business Suite. With no sub-inventory locators in use, product could be anywhere on the floor, and 10 truckloads of new product arrived daily.

Desk-sized boxes of fitness equipment — each weighing 300+ pounds — were stacked three to five units high, with mixed SKUs. Workers had to rearrange the stacks to access product, resulting in damaged packaging. Labor costs soared during peak shipping season.

With over 125 SKUs and 8,000 units on the floor, "We had significant challenges finding product. The Oracle application would tell us the products were in the warehouse, but we were unable to actually find them," said Mike Edwards, Senior Director, Global Distribution & Logistics. Life Fitness needed a better solution, and needed it fast.

Solution

"We picked DSI to design our warehouse solution because of their fully integrated, one-source approach," Edwards said. DSI reviewed all aspects of Life Fitness' warehouse operations, wireless network, and Oracle system and recommended a complete solution:

- Oracle Mobile Supply Chain Applications (MSCA) to quickly provide business improvements and set the stage for a future transition to Oracle Warehouse Management System (WMS).
- More wireless network access points to provide better wireless coverage throughout the warehouse. "Having a robust wireless access system is critical for us. With the design the DSI team mapped out, a single point of failure won't take down my operation," he said.
- A grid-based locator scheme and ceiling-mounted locator ID signage.
- New Motorola 9090 bar code scanners with both long-range and short-range capabilities to easily scan locator IDs and product labels.

"MSCA is a natural extension of Oracle that gives us more functionality on the floor. It was the right project at the right time, with a rapid return on investment. DSI offered us options that enabled us to use the Oracle system to its full potential," Edwards stated.

Functionality implemented includes MSCA transactions for transfer, pick and ship confirm, receiving, cycle count, physical inventory, and on-hand inquiries.

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*Mike Edwards
Senior Director
Global Distribution & Logistics
Life Fitness*

Results

DSI implemented the complete MSCA solution in just five weeks, immediately prior to Life Fitness' peak shipping season. DSI also assisted with user training and will provide ongoing hardware support services.

Once MSCA was live, Life Fitness moved product and recorded the new locations in the Oracle application. "Today we still have the 125 SKUs on the floor, but the difference is we know exactly where they are," Edwards said.

"DSI's responsiveness to our needs enabled us to execute quickly. It was a huge benefit that DSI was ready, willing, and able to move forward with this project on very short notice," continued Edwards.

Immediate Benefits

"The solution showed immediate benefits. We noticed immediately that we could find product quickly," Edwards said. He benchmarked results from the first month using MSCA with the same month of the previous year:

- Reduced labor cost per piece by 31%. "My labor cost per piece, in dollars per unit shipped, dropped by 31%," he said.
- Reduced overtime by 95%. "Previously, we needed a third shift and six temporary overtime workers to find product and get it out the door. Now we get it done it with just two shifts," said Edwards.
- Achieved ROI in 6 months. "In times of tight cash flow, getting a 6-month ROI is a huge benefit. The fact that we could do this with a very short payback cycle was an incredible opportunity," Edwards stated.

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Senior Director
Global Distribution & Logistics
Life Fitness*

Reduced Inventory by 10%

The MSCA solution enabled Life Fitness to reduce inventory by 10% and control remaining inventory more effectively:

- Enabled first-in, first-out (FIFO) inventory turnover. "Previously, old product on the floor would be buried by new product coming in," Edwards said. "It was not unusual for us to find product that was two years old still sitting in the warehouse."
- Cleared out non-shippable inventory. "When quality control or revision issues arise, I can now find the product and send it back to manufacturing, instead of it sitting in my warehouse as non-shippable inventory. When you're talking about products like ours, that can be significant," stated Edwards.

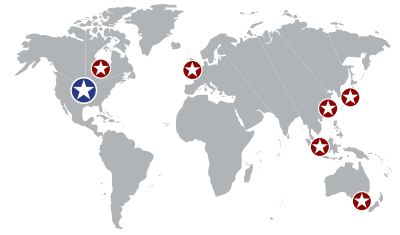
Increased Customer Satisfaction

Now that Life Fitness only stocks two SKUs per locator, workers no longer need to rearrange the stacks to access product. Less handling reduces package degradation and potential damage to the inventory.

"It saves us money in repackaging, and it portrays a better image to our customers. The last thing we want is for a customer's new treadmill to arrive in a box that looks like it's been through a shredder," Edwards explained.

Collaboration Yields Success

"DSI worked with us to understand our situation and recommend what we needed to get the job done right. The simple things that DSI brought to the table — like locator IDs on the ceiling and the right bar code scanners to read them — made this MSCA implementation go very smoothly and is one of the reasons this project was so successful," concluded Edwards.



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