

# How Title 2 Business Services Jump-Started a Failed DC Launch

## About Manhattan Beachwear

Manhattan Beachwear is a leading global swimwear manufacturer based in Cypress, CA.

MBW designs, manufactures and markets LaBlanca, The Bikini Lab, 24th & Ocean, Maxine of Hollywood as well as private label merchandise.

In addition, Manhattan Beachwear holds the licenses for Lauren Ralph Lauren, Polo Ralph Lauren, Chaps, Trina Turk Swim and Spa, Lucky Brand, Kenneth Cole New York, Kenneth Cole Reaction, BCBGMAXAZRIA, BCBGeneration, Hobie, & Hobie girls.

*In less than one year, Title 2 dramatically improved Manhattan Beachwear's distribution network and performance. The team reconfigured the warehouse layout, expanded WMS functionality, developed new training programs and provided real time analytics and metrics. The results were remarkable as shipping, cancellation rates, inventory accuracy and overhead costs far exceeded all requirements expectations.*

Dean Fusco, COO, Manhattan Beachwear



**+127%**

Increase in capacity  
in 1 month



**0**

No increase in  
headcount



**\$17mm**

Revenue boost in  
first quarter

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## The Project

### Trouble in the New House

Shortly after acquisition, MBW hired a general design group to set up a new DC to replace multiple DCs. The new DC design was larger and more automated than the old facilities were. New pick methods were introduced, and a new WMS was installed. Shortly thereafter, the DC failed.

Title 2 started a recovery project April 4, 2016. The immediate need was to get the DC shipping again which was accomplished by changing wave patterns and moving to a 2-step replenishment. A WMS reconfiguration was immediately started, and supplemental software developed to keep the system operational through the process.

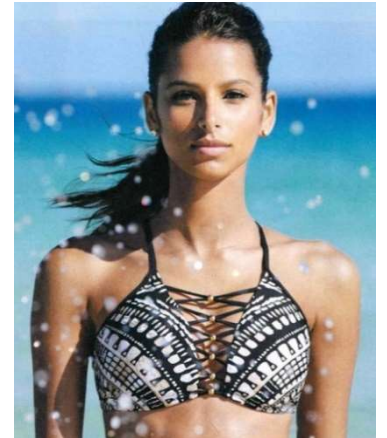
A new building configuration was developed to manage a major shift to low density direct-to-consumer business. This was not considered in the early design.

DTC volume quadrupled while bulk pull volume dropped more than half. The new design was modeled and had multiple simulations run against it.

A complete physical inventory was executed with every piece/container counted by hand. This allowed for a thorough cleanup of inventory errors. The count was conducted in a segregated part of the building where consolidation occurred, and consolidated inventory moved into newly assigned backstock locations.

*All we wanted was to get back to shipping product on time! The team from Title 2 made changes that got us shipping immediately and had us caught up in short order. Then they rebuilt our entire process, systems and redesigned the DC layout with minimal interference.*

Jamie Tison, Customer Service and Logistics Manager, Manhattan Beachwear



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Title 2 handled all the design work, permitting, process reengineering, and managed the business until the project was complete. It was a turn-key turn-around. They even developed job descriptions and helped recruit and interview the replacements that would run the DC once their work was done.

## Results That Speak for Themselves

By the end of the project, MBW experienced:

- A year-over-year labor hours per unit **reduction of 25.8%**.
- Dollars per unit **dropped 32.3%**.
- Increased pick faces from **2480 to 1.75 million**.
- **14% increase** in warehouse piece capacity.
- **38% reduction** in variable cost per unit.
- **215% increase** in pick and pack capacity at same headcount.
- Late shipments **reduced from 84% to < .1%**.
- Order-to-ship time **reduction of 68%**.

*Title 2 delivered tools, processes and coaching to increase the skills and success of our warehouse operations team.... They were instrumental in developing and implementing automation to achieve key business leadership objectives. I can't wait to work and learn from them again.*

Derrick Andrews,  
Director of Information  
Technology, Manhattan  
Beachwear

