



CASE: AUTOMATED DESTINATION AND ARRIVAL VALIDATION AT
XXL SPORT & VILLMARK

E-COMMERCE ACCURACY AND PRECISION

XXL Sport & Villmark (XXL) has boosted its shipping and receiving efficiency – eliminating the need for manual barcode scans – with the deployment of Lyngsoe Systems’ solution modules for Automated Destination and Arrival Validation. But that’s only one part of the gains: the company also has automatic documentation of each item shipped and received, and has reduced errors by ensuring the right products are included in every shipment. XXL’s focus is on boosting customer satisfaction, and that means ensuring that those buying their products get what they want, where and when they need it.

The numbers speak for themselves

After implementing automatic destination and arrival validation, XXL Sport has achieved:

COMPLAINTS REDUCTION	REMOVED HANDLING	TIME SAVED PER PARCEL	RETURN ON INVESTMENT
50%	80%	50 SECONDS	1.04 YEARS
Reduction in customer complaints in %.	Less handling of shipments in %.	Time per parcel went from 1 min to 10 sec.	Payback period in years.



THE CHALLENGE TO SUSTAIN COST REDUCTION

XXL's annual cost to meet the growing demands for fast, e-commerce orders is more than \$120,000 USD in yearly labor and handling. That labor includes barcode scanning each product as it is received and shipped, one at a time; and the printing of documentation for each shipment order as well to help all parties keep track of goods leaving their warehouse and arriving at stores.

With Lyngsoe Systems' Automated Validation Station modules, XXL was seeking to optimize its existing fulfilment processes related to product orders in two e-commerce categories: mailbox package and pickup-at-store. Since the company's existing manual processes created a gap between their WMS and TMS solution, XXL saw a potential – through technology – to streamline its processes, thereby lowering labor costs and boosting accuracy. Last but not least, XXL wanted better control of the delivery process to be able to provide an improved customer experience by introducing real-time track-and-trace on all e-commerce orders.

FULLY AUTOMATED SOLUTION WITH REAL-TIME COMMUNICATION

Implementation started with upgrading existing label printers to support RFID. Today, all printed RFID labels applied on parcels are being encoded with shipment information (including unique RFID label identifier and destination) provided by the delivery management solution provider – In this case Consignor.

Lyngsoe RFID RTLS Portals were installed for automated departure and arrival scans of the RFID labels applied on the parcels. The Portals – placed in warehouse and store locations – automate XXL's warehouse and store processes.

Through a standard web service, shipment data from Consignor is now made available for use in the validation modules each time RFID labels are read by a RTLS Portal for validation purposes. The automated validation stations at XXL uses the data to confirm the identity of each item upon receipt or shipment.

RESULTING IN A MORE EFFICIENT SHIPPING AND A SIMPLIFIED PROCESS

As a result, XXL has been able to reduce manual handling and shipping errors to nearly zero. Shipping is accomplished more efficiently, and customers receive a faster notification that their parcel has arrived at the store. That means greater satisfaction for the customers. The company is now preparing for a roll-out to other stores and is also intending to adopt the system to track the other 70 percent of goods that are replenished to stores based on store orders. That means not only are customers satisfied, but XXL can serve those customers at a lower cost and greater efficiency.

"RFID simplifies our processes and make it visible for all, where the parcels and packages are in the process. The savings are realised in customer service, at the warehouse and in the stores."

Kim Nilsen, Logistics Manager, XXL Sport & Villmark

BENEFITS

- Shipping accuracy with automated validation
- Reduced labor as shipping data is captured automatically
- Immediate notification to customers that their order has arrived

ABOUT XXL SPORT

XXL is the largest – and also the fastest growing – sports retailer, by revenue, in the Nordic region. The company today boasts more than 50 department stores and ships 25,000 parcels each month from its Oslo distribution center to stores and home addresses.

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