

Case Study

Enhancing Productivity in the Distribution Center Environment

DISTRIBUTION CENTER MANAGEMENT

Raymour & Flanigan Furniture, Liverpool, NY



Raymour & Flanigan Operations Manager Pat Morgese verifies trailer information for daily dispatch to a field customer service center. Raymour & Flanigan uses the Segway PT to move quickly about the perimeter of their 65-acre campus in Liverpool, NY.

Raymour & Flanigan® Furniture is a privately held, family-owned furniture retailer with nearly 90 locations across the northeastern United States. One of the nation's fastest-growing furniture retailers, Raymour & Flanigan has built its business on a foundation of superior customer service, a strategy that is backed by a promise to deliver each customer's furniture within three days.

As one would expect, fulfillment of this promise is predicated upon Raymour & Flanigan's ability to efficiently manage its vast hub-and-spoke distribution system that operates across seven states. At the heart of this system is its 600,000-square-foot (55,742 sq. m.) Northern Distribution Center (NDC) located at the company's headquarters in Liverpool, NY. It operates seven days a week, and on average takes in more than 6,000 pieces of furniture each day. An equal number are shipped out every 24 hours to the company's 13 service centers and three smaller distribution centers.

According to Tom Reilly, the company's regional director of distribution, it was following the construction of a 400,000 sq. ft. (37,161 sq. m.) addition to this facility in 2006 that the company first thought that Segway Personal Transporters (PTs) might play an important role in managing its NDC operations.

"Jeff Lannier, our senior vice president of logistics, had heard about the Segway Personal Transporters from Steve Goldberg, our executive Vice President, and together they thought that the Segway PTs might be an efficient way for our NDC leadership team – our supervisors and operations managers – to get around this huge new facility," says Reilly.

"Our associates are still riding them with smiles, but the units have also proven to increase our responsiveness to our team members and increase our productivity. We are putting nearly 100 miles a day on our Segway PTs, so we are really using them to the full potential."

- Tom Reilly,
Regional Director of Distribution

"In August 2007, we arranged for a 30-day trial of the Segway PT to see how it would perform in this environment. We thought they could increase our responsiveness to our associates' needs by reducing interior travel time within the buildings and across our 65-acre campus. For example, when one of our NDC associates has a question at one of our 78 dock doors, the Segway PTs enable our supervisors to travel quickly to them and respond."

Through the trial, Reilly learned that not only did the Segway PTs make the NDC leadership team more productive, but it also was a great option for checking on the trailers that were

Executive Summary

CUSTOMER
Raymour & Flanigan Furniture, Liverpool, NY

MARKET SECTOR
Distribution Center Management

THE CHALLENGE
How can Raymour & Flanigan Furniture improve the productivity of its NDC leadership team as they manage the operations of a 600,000-square-foot (55,742 sq. m.) facility?

THE SOLUTION

- Purchase three Segway i2s
- Assign three units to NDC supervisors, operations managers and Transportation Services team.

BENEFITS TO THE CUSTOMER

- Helps supervisors and team leaders respond to associates' needs as quickly as possible
- Allows Raymour & Flanigan to keep its schedule and trucks flowing efficiently to meet their 3-day delivery brand promise.
- Allows the company to meet its dispatch times because supervisors can zip from doors 1-78, resolve an inventory issue, reselect the furniture and get it on the truck for delivery.
- Enables the company to re-deploy material-handling equipment back to the NDC floor for use within the operation instead of using this equipment to move people.
- Facilitates the company's weekend lock-ups by enabling security personnel to travel the entire radius of the NDC interior and exterior to ensure that it is properly secured.

To learn more or to find a local Authorized Segway Dealer, please visit www.segway.com or call 866.4SEGWAY

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The Segway PT's tight turning ratio is a great solution for navigating the aisles of racked furniture in Raymour & Flanigan's 600,000 sq. ft. warehouse.

- Allows us to keep our schedule and trucks flowing efficiently to meet our brand promise of 3-day delivery.
- Allows us to meet our dispatch time because we can zip from doors 1-78, resolve an inventory issue, reselect the furniture and get it put on the truck for delivery.
- Enables us to re-deploy material-handling equipment back to the NDC floor for use within the operation instead of using this equipment to move people.
- Facilitates our weekend lock-ups by enabling our security associates to travel the entire radius of the NDC interior and exterior to ensure that it is properly secured.

According to Vicky D'Agostino, Raymour & Flanigan's director of communications, use of Segway PTs is completely in step with the company's mission to protect the environment.

"In 2007 we opened our 41,000-square-foot Recycling Center on our Liverpool campus," says D'Agostino. "Since that time we have recycled more than 29 million pounds of paper and packaging waste that would have otherwise found its way into a landfill. This is just one of many environmental initiatives that have made us an environmental leader in the furniture retailing industry, and we see the Segway PT in the same light. The no-gasoline, no-emissions features of the Segway PT are in line with our goal of reducing our carbon footprint," says D'Agostino. "We are very excited that the Segway PTs can help us achieve our operational efficiency goals and our environmental stewardship goals at the same time." ■

awaiting off-loading in the NDC parking lot.

"The Transportation Services team learned that they could also use the Segway PTs to check trailers on our lot for daily inventory," says Reilly. "This allows us to orchestrate the off-loading of our trailers from the field, which can consist of materials to be recycled and product to go to customers. It was an unexpected but very welcome efficiency innovation for us."

Based on the success of the trial, Raymour & Flanigan purchased three Segway i2s in September 2007, assigning three units to the NDC leadership team and the Transportation Services team. Each of these units was equipped with a side cargo system that enabled supervisors to efficiently carry their handheld scan guns, clipboards and paperwork. Reilly and his team also considered gas-powered carts for this role, but decided against them because of the exhaust fumes and their lack of maneuverability in the busy warehouse environment. In this regard, the zero turning radius of the Segway PTs offered a big advantage in enabling associates to maneuver safely throughout the aisles, corners, staged furniture and shipping and receiving docks of the NDC.

According to Reilly, the first reaction of the NDC associates and leadership teams was amusing. "The initial belief of our associates was that this was a cool toy," says Reilly. "Later, through the trial and integration of the Segway PTs, they experienced the performance benefits firsthand and now recognize the value they bring. Our associates are still riding them with smiles, but the units have also proven to increase our responsiveness to our team members and increase our productivity. We are putting nearly 100 miles a day on our Segway PTs, so we are really using them to their full potential."

Now that the leadership team has used the units for more than a year, they have identified five distinct operational benefits from the use of Segway PTs in the NDC:

- Helps us respond to our associates' needs as quickly as possible.

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- Vicky D'Agostino,
Director of Communications,
Raymour & Flanigan

