

CASE STUDY

RED ENVELOPE®

FORTE PRESENTED RED ENVELOPE® WITH THE PERFECT GIFT.

PROJECT SCOPE

Design and implement a distribution system capable of picking, gift-wrapping, packing, and shipping Red Envelope's mail-order gifts within three hours. Cost-effectively accommodate Red Envelope's first year of growth (100 percent) by relocating operations to a larger facility.

OVERVIEW

As a major U.S. retailer, Red Envelope sells a unique assortment of gifts via the Internet and seasonal catalogs for a convenient and contemporary buying experience. FORTE worked directly with Red Envelope's 3PL provider to relocate Red Envelope's distribution operations to a new 230,000 sq. ft. distribution center. This process included the design, implementation and commissioning of an enhanced, reconfigured automated conveyor system. The conveyor system was constructed of new equipment, used equipment from the existing Red Envelope operation, and from inventory owned by the 3PL.

FORTE's distribution solution included a double-sided split case pick module, in which orders are picked to totes by zone. The number of carton flow locations, which store faster-moving items, was doubled to over 1,400 SKU pick faces. Twenty-seven pallet flow locations were added for high-velocity items and larger items. The appropriate-sized gift box is placed with the order and the tote is sent in a round-robin fashion to one of five quality control (QC) stations. Because customer service is such a high priority for Red Envelope, 100 percent of the products undergo quality inspection. Space is optimized by stacking the conveyors, which run between functional areas in opposite directions.

Value-added services are another key priority for Red Envelope. Eighty gift-wrapping stations were designed into the system to accommodate orders that require Red Envelope's distinct red box and white bow. After the gift boxes are wrapped, they are conveyed to an over-pack area with 82 stations where they are placed in the shipping carton. The cartons are then sent to the shipping sorter in a round-robin fashion to one of six lines where dunnage is added and the carton is manifested.

UNIQUE CHARACTERISTICS

- The facility has a secured area for high-end jewelry and small parts storage, which is connected to the main picking area via conveyor.
- Product personalization is performed in a separate area where specialized equipment resides.
- Ninety percent of the orders are gift wrapped through a value-added service area with eighty wrapping stations.
- The pick locations are extremely flexible for holiday-related marketing.
- A new fully functional system was operational in nine weeks from the receipt of the order.

RESULTS

- FORTE delivered the system on budget and on time, allowing Red Envelope to meet their delivery commitments during the relocation and adequately prepare for the upcoming busy season.
- Three-hour order turnaround
- Ability to provide next-day delivery for gifts ordered up to 11 p.m.

“I think everyone involved with the project enjoyed working with FORTE. I really like our warehouse layout and it works well for our business. This is my fourth major warehouse move, and I found that it all went very smoothly, thanks in large part to FORTE's team.”

- CEO, Red Envelope®



**THINK
INSIDE
THE BOX**

FORTE DELIVERS DISTRIBUTION ON DEMAND PERFORMANCE-DRIVEN RESULTS

WHAT RESULTS FROM
BEST-IN-CLASS SOLUTIONS?
BEST-IN-CLASS CLIENTELE.

OTHERS HAVE TAKEN TO OUR POINT OF VIEW.

Leading companies are embracing FORTE's advanced CONTINUIM™ methodology. In doing so, they are widening the performance gap over competitors and creating competitive advantages in their supply chain. Quite simply, they are distributing at the least cost, driving improved margins, and increasing profitability.

We have a national client base of Fortune 500 organizations, and fast-growing mid-market and small entrepreneurial enterprises. We're proud of the company we keep and welcome the opportunity to help you craft your optimal Distribution On Demand solution.

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C.R. Bard®
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Candle-lite®
Cintas
Custom Marketing Services
Delta® Faucet
Dole®
General Electric®
Gerber®
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KitchenAid®
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