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Jarno de Laat, Senior Manager Competence Centre Operations
- Distribution, adidas Group Global IT



adidas Group implements Manhattan solutions to support global distribution operations

SPORTING SUCCESS

The adidas Group is one of the global leaders within the sporting goods industry, offering a broad range of products around the three core segments adidas, Reebok and TaylorMade-adidas Golf. After a strategic review of its global distribution operations, the adidas Group decided to adopt a new supply chain systems platform in three of its distribution centres that would enable the company to handle the increased level of complexity across its global distribution network. Not only would the new systems need to manage labels of the different brands, they would have to handle the many variables associated with the distribution of sporting goods on a global scale.

THE RIGHT TRACK RECORD

Manhattan Associates was chosen on the depth of its expertise in helping companies address their supply chain challenges, for its proven track record of successful international implementations and because of its experience in the footwear and apparel sector. adidas Group purchased several components of Manhattan’s Distribution Management suite of solutions including Warehouse Management for Open Systems, Labour Management, Slotting Optimisation and Supply Chain Intelligence.

Jarno de Laat, Senior Manager Competence Centre Operations - Distribution, adidas Group Global IT, said, “Manhattan Associates had the right track record. The company was able to demonstrate that it understood the complexities of our industry and that it had a wide enough reach to support us in a global implementation.”

adidas Group began the first phase of its multi-site implementation at three locations. These included the company’s strategic distribution centres in Seoul, South Korea and Manchester, UK, along with its apparel warehouse in Spartanburg, South Carolina, USA. All three implementations were to be run in parallel.

adidas
GROUP

Headquarters:
Herzogenaurach, Germany

Distribution centres:
Spartanburg, South Carolina, USA (100,000 sq m)
Manchester, United Kingdom (50,000 sq m)
Seoul, South Korea (14,000 sq m)

Manhattan solutions:
Warehouse Management for Open Systems
Supply Chain Intelligence
Labour Management
Slotting Optimisation

Interfaced systems:
Conveyors, Sorters, Put-to-Light, Radio-frequency, ERP

Challenge:
Improve adidas Group’s supply chain systems platform across all brands.

Goal:
To achieve better visibility and control of supply chain system supported processes across all brands.

Solution:
Manhattan Associates’ Distribution Management solutions selected for three strategic sites in the USA, Europe and Asia.

Result:
Standardised distribution systems model, enhanced supply chain control and visibility, improved inventory accuracy.

TEAMWORK

The project was handled by a combination of adidas Group's own team and consultants from Manhattan Associates. adidas co-ordinated this project from its IT headquarters in Germany, where the Manhattan Associates software is physically hosted. The implementations at the UK and US apparel sites were the most complex as the DCs are highly automated. Manhattan Associates' software needed to integrate with the control system managing the on-site material handling equipment (MHE). In spite of these challenges, the implementations at all three sites were completed on time and the live testing phase identified just a small number of configuration changes that needed to be made to fine tune the system's support for adidas' operations. The DCs running on the Manhattan Associates solution are already operating at a faster transaction processing rate than any of the company's other warehouses and the interface with adidas' ERP system has made a great deal more information available to managers.

Following the success of this first phase of the project, adidas declared the project team involved in the Manhattan solution deployment as 'Most Successful Project Team in 2008'.

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