GOODWILL INDUSTRIES SEES RAPID ROI IN REAL-TIME INVENTORY VISIBILITY SOLUTION.

POSDATA GROUP AND ZEBRA ADD CRITICAL DATA COLLECTION TECHNOLOGY.

OVERVIEW

Goodwill Industries of San Joaquin Valley, Inc. (GISJV) is a not-for-profit organization that provides life-changing job services for people with severe disabilities. The agency was established in 1940, and helped many veterans of World War II receive job training and placement.

GISJV continues its long-standing mission, and uses its retail operation to provide critical funds. The 19 retail stores and two bulk-sale facilities generate revenue. However, by relying on manual inventory processes, GISJV lacked the visibility it needed to maximize the revenue potential of its broad retail business.

Goodwill Industries of San Joaquin Valley presents a unique retail model. The organization relies primarily on donations of individual items, rather than purchasing and managing stock from suppliers. These donated items are accepted at the 19 stores, two distribution centers, and Attended Donation Centers (ADC), which are trailers located in high-traffic areas, like plaza parking lots.

"Getting those items from the point of donation to the sales floor is an extensive process," explains Steve Celaya, GISJV's Executive Vice President, who was instrumental in driving the technology transformation. "It's labor-intensive, starting with sorting through the items, tagging them, and making them available for customers to buy. Inventory tracking and reporting was far from accurate."

Sales tracking with manual systems required store personnel to call the main office in Stockton, CA, at the end of each day and leave a message with the day's counts for sales, donations, and inventory items available for sale.

Sales figures were written on a white board, then transferred to paper, which was stuffed in an envelope. This "sales report" was delivered via truck to the main office. The following day, a person at that Stockton office entered the numbers on an Excel spreadsheet.

Most Goodwill stores purchase surplus goods and close-outs. Purchase orders for those items were handwritten and then delivered to two different directors for approval before being submitted to the president for written approval of the order.

"We are a non-conventional retail model. Nothing we do is standard," comments Celaya, who was the Director of Corporate Security and Facilities when he determined that the system needed an upgrade. In addition, GISJV estimated that they had about 5,500 Tri-wall (Gaylord) donation containers in the ADCs. These large boxes are used for sorting donations at the collection site. After doing a manual count, they realized the correct number was 8,500—35% more than they had guessed. With each Tri-wall valued at $40, they had underestimated a $120,000 investment in these assets.
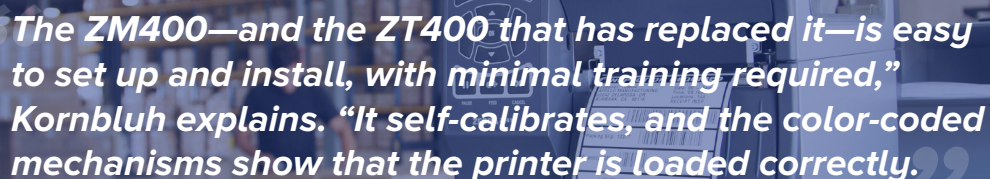
SOLUTION

GISJV partnered with Softengine to implement the SAP Business One ERP system, which would provide the foundation for financial and reporting functions. Softengine assessed the operational needs, and added WMSm for inventory tracking and iVend Retail POS for the retail side.

Softengine called in POSDATA Group, an integrator solutions provider, to define and deploy the hardware component of the total solution. POSDATA Group attended the preliminary meetings with GISJV and Softengine, and visited their stores to fully grasp the extent of the challenge. The partners committed to a deployment schedule that Celaya describes as "aggressive"—eight months from the initial discussion to implementing the entire financing, inventory, production, and WMS solution, all at once.

In addition to recommending POS devices, Gary Kornbluh of POSDATA Group identified the Zebra ZM400 industrial thermal printer as the best choice. With the staff generating 20,000 to 25,000 labels each day (and 363 days a year), they needed a printer that could handle the high volume.

Celaya liked the Zebra reliability and had originally suggested a Zebra printer that was less expensive. "It was borderline for our volume, but I'm so glad POSDATA suggested the ZM400. We've been using these printers constantly for about three years and have never had any issues with them."

The ZM400—and the ZT400 that has replaced it—is easy to set up and install, with minimal training required," Kornbluh explains. "It self-calibrates, and the color-coded mechanisms show that the printer is loaded correctly.

Kornbluh also enrolled GISJV in the Printhead Protection Program, which provides printhead replacements for free when the printer uses only Genuine Zebra Supplies. At a cost of about $450 per printhead for each of the 47 printers in use by GISJV, they've seen fast ROI. POSDATA Group also monitors the supply levels for GISJV, and alerts them when it might be time to reorder.

GISJV uses Zebra's Z-Select 4000T color-coded labels and tags to identify the length of time products have been on the sales floor. POSDATA ran print tests on the labels before the launch, to ensure the labels printed clearly and remained easily scannable for the shelf life of an item.

Finally, every Tri-wall is now barcoded, and it is scanned each day so the location of the asset is easily traceable.

The data collection and reporting solution has enabled GISJV to have real-time visibility over their inventory, from the moment a donation is received until the purchase is completed at the POS. The automated system has freed up substantial staff time. In fact, as office personnel leave or retire, GISJV has not found it necessary to hire replacements. The efficiency of the system, now in place for more than three years, reduced administrative staff time by 50 percent, labor savings that have been redirected into the retail operation.

The ability of remotely managing the Zebra printers has also increased the IT team's efficiency. From their office, they can identify if printer settings have been changed, readjust them, and then simply advise the users to realign the printer.

The increased inventory visibility allows GISJV's management to identify what is selling and where. They can readily shift inventory from store to store, based on this insight.

GISJV has also seen major benefits at the checkout. Barcodes allow cashiers to scan product labels, rather than count items and tap in prices, which speeds up the checkout time. It also virtually eliminated the practice of "sweetheart deals"—not charging family or friends for their entire purchase.

GISJV is the first Goodwill Industries in the country to implement Business One. Celaya has received strong interest from other Goodwill groups. He recently demonstrated the system to five Goodwill Industries' representatives who flew to Stockton for a first-hand view.

"The solution has more than paid for itself," Celaya says. "We've also gained extreme value in the partnerships. Goodwill does not go into business with anyone unless we feel we believe we can have a true, sustaining partnership. POSDATA Group, Softengine, and Zebra have all lived up to our expectation—and more."

ABOUT POSDATA GROUP

Founded in Gig Harbor, WA, in 1973, POSDATA Group is a full-service technology distributor that specializes in designing and engineering automatic identification and data collection solutions. POSDATA Group's team provides vast expertise in a comprehensive array of services, including systems consulting, application design, equipment configuration and provisioning, product deployment, installation, training, and repair.

POSDATA Group has sales offices throughout the United States, with a logistics and service center in Louisville, KY.

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