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## Staples, Inc. Blue Sky Case Study

Staples has their thumb squarely on the pulse of their supply chain operations efficiency, but with recent initiatives they are now even more diligent in finding savings that add to their bottom line. The \$24.5 billion retailer, and world's largest office products company operates more than 2240 Staples and Staples Express stores in the Americas, Europe, Asia and Australia. They have 4 regional Distribution Centers in the United States with over 3.5 million square feet of warehouse space and thousands of SKU's. Their supply chain operations are complex to say the least.

"We knew that there were significant efficiencies to be gained by focusing on specific areas within our supply chain operations with real-time visibility tools" said Bill Ross, Vice President of Distribution. "We also felt that Blue Sky had the required background, expertise and software products to match well with our internal team". Staples first wanted to get their arms around key areas such as; service levels, work load planning, building balance, inventory productivity and engineered standards visibility. "Our objective in measuring and monitoring these areas was to place the real-time measurements right out in the distribution centers on building-wide, large flat screen displays for all to see exactly what was happening at any point in time. These areas were previously managed reactively through daily and weekly queries and reports. Using real time information, we have been able to be more proactive utilizing building wide screens for high level information and functional dashboards and gauges to drill down into details."

Furthermore, by placing functional supervisor dashboards in the hands of top managers throughout their operations, Staples knew they could provide their staff with the real-time information to proactively manage functions that traditionally had only rear view mirror reporting on functional bottlenecks such as; out-of-stock SKUs, work load management and building area balancing, work unit management and compliance, mark-out avoidance, pick slot performance and issues, associate performance and utilization, and indirect labor management by functional area.

By implementing Blue Sky's Insight™ supply chain visibility products Staples also gained real-time, triggered event management and alerting for when specific operational metrics were outside of their defined tolerance criteria. "Alerting functionality was critical" said Adam Kaufman, Supply Chain and Logistics Operations Manager. "We implemented event management alerting around such critical performance factors as; aging inventory,



SKU set-up problems, potential in stock issues, associate over/under performance, excess indirect time, and over-receipts”.

The project was not without its challenges. “We had our share of issues on both the Staples and Blue Sky sides of the project” said Adam. “Staples originally gave the business users too much free reign all at once, so they ended up feeling like kids in a candy store and asking for more screens than they could effectively manage. And Blue Sky at the time needed a better defined development, testing and delivery methodology to keep up with the enhancements requests and the demanding and condensed requirements delivery cycles. We both worked together and stayed in constant communication at the executive and project details levels and that made all the difference”.

Staples has now rolled out the project to all of their North American distribution centers and has plans to tackle Europe next, raising levels of the functionality and continuing to deliver project ROI and goals. Productivity has improved by 11%, indirect time has been reduced by 20%, and store in stock, inventory productivity, service levels and quality have all shown significant improvements.

While the project thus far has been a major success, Staples has no plans to stop at the current level of supply chain visibility. “This application has been a great addition to our portfolio of supply chain tools. The flexibility and vast array of areas of application has been a pleasant surprise. Next we will look into tackling integration with our other applications such as pick to light, pick to voice, conveyor management system, order management, and transportation management systems to provide the same level of real-time visibility and event management alerting” said Bill. “We plan to continue to use Blue Sky and developing additional functions for flat screens to communicate other types of information to our associate as well as looking into the potential for incorporating mobile hand held devices.”

Overall the Blue Sky Insight™ project has elevated the efficiency of Staples supply chain operations to a whole new level, and management is quite pleased with the results. “I can’t imagine going back to the manual process of reviewing spreadsheets and reviewing reports to manage our operations. Insight is central to our daily operations in so many ways.” Said Adam.

For more information, please contact

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