

BLUEPRINT FOR RETAIL LOGISTICS

A BARRETT DISTRIBUTION CENTERS CASE STUDY

Barrett Distribution Centers' customization of its Northeast Distribution Center for Best Buy is an example of creating a dedicated facility solution, with tailored services to ensure the customer operates at full potential. Best Buy recognized Barrett's superior performance in managing the Special Order Distribution and Delivery operation with the following recognition:

- Superior Safety Award
- Under budget shrink performance, and
- Retail Support Claims Award.



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BACKGROUND

Best Buy is a multinational retailer of technology and entertainment products and services with a commitment to growth and innovation. The Best Buy family of brands and partnerships collectively generates more than \$40 billion of annual revenue. Barrett provides Northeast distribution and other outsourced supply chain solutions for all Best Buy major appliances including TVs, washers, driers, refrigerators, and ranges for the entire Northeastern region.

CHALLENGES

- Appliances and large electronics distribution solution
- Fast market entry with a dedicated Northeast Distribution Center coupled with a special order delivery and installation system (“Geek Squad”) for New England based retail stores - from Bangor, ME to Norwalk, CT
- Scheduled home deliveries directly with customer, supporting 52 metro Boston area stores
- 7-day, 19-hours per day operation required to meet the increasing demands of Best Buy’s customers
- Process daily work requisitions with the Home Installation Teams and Best Buy stores
- Appliance and TV returns processing for up to 30 various manufacturers

- Cross docking for regional retail store network
- Demanding, flexible supply chain to facilitate forward distribution and product returns from customers and retail locations
- Disposition of used, unwanted product following established Auction protocols
- In-home delivery for major appliances and TVs
- Same-day service requirements; demanding cycle times and delivery windows
- High expectations for accurate and timely fulfillment and delivery
- Gather and report on retail customer end consumer) satisfaction levels

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SCOPE OF OPERATION

Barrett's Blueprint® process is a proprietary approach to designing, implementing and managing supply chain solutions which holistically deploy Barrett's people, process and technology resources, in collaboration with others as required. The Blueprint process methodology provides a professional framework for very deliberate consideration of all aspects required to create a tailored road map for each customer engagement. This case study is another in a long line of validations of the process as a value driver that establishes solution control and results that meet or exceed customer expectations.

The sketch below charts key steps from initial analysis through design and manage to improvement:



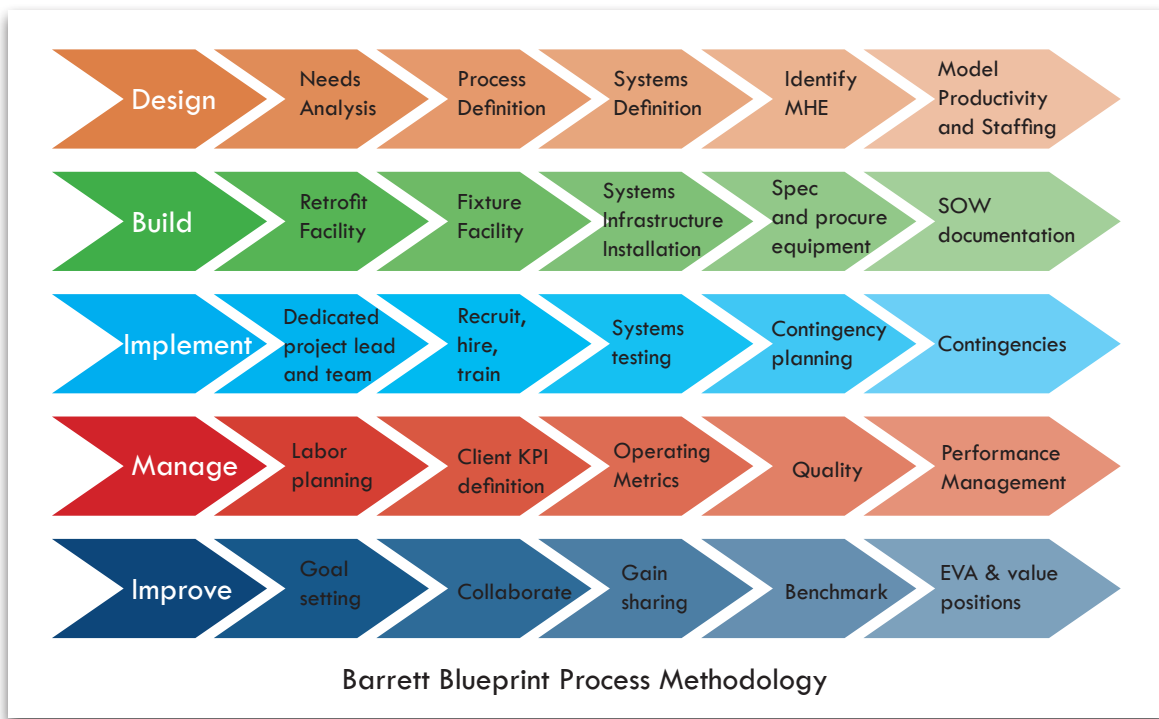
The next few pages illustrate, step by step, how the Barrett team worked with Best Buy to analyze the existing situation, identify opportunities to improve operational efficiencies, design, build and implement the dedicated facilities solution which significantly improved overall supply chain performance.

SCOPE OF OPERATION

Following is a recap of results achieved in each of the steps, using the framework described below:

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SCOPE OF OPERATION



DESIGN PHASE

In the Design phase of our Blueprint Process, Barrett facility layout and material handling equipment was optimized to facilitate high value products and demanding work streams -- coupled with supporting time-critical transportation hand-offs.



BUILD PHASE

In the Build phase, Barrett leased, built-out and ramped-up the Northeast distribution center to support Best Buy's strategic fast market entry in 30 days. Project manager facilitated the preparation of all physical assets working in conjunction with the transportation component of the solution.

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SCOPE OF OPERATION



Implement

IMPLEMENT PHASE

Startup was effectively managed through a detailed project plan that tracked milestones. Contingencies were established due to the speed at which the implementation proceeded.



Manage

MANAGE PHASE

We established baseline activity performance while simultaneously providing Best Buy with first-ever KPIs for DDC operations. Results reviewed internally and with the customer daily. Operations team executed on the productive flows established at the design phase, which provided the ability to handle spikes, interface with home delivery and installation teams while maintaining a high level of accuracy and service.



Improve

IMPROVE PHASE

Measuring and managing performance through key operating metrics allowed us to establish baselines and track improvement. Best Buy has recognized Barrett's superior performance in managing the Special Order Distribution and Delivery operation per the following:

- Superior Safety Award
- Under budget shrink performance
- Retail Support Claims Award

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ABOUT BARRETT DISTRIBUTION CENTERS



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Barrett Distribution Centers, headquartered in Franklin, Massachusetts, and founded in 1941 as a single warehouse operation, has grown to serve a wide array of customers and industries with a network of 13 strategic distribution centers throughout the US. These facilities are designed to efficiently handle fast moving consumer goods for leaders and future leaders of the consumer electronics, chemical, food and beverage, and footwear and apparel sectors. Barrett provides both consumer direct fulfillment and retail channel delivery, with facilities and operations covering the East Coast, West Coast, Mid-Atlantic and Southeast.

For more, please visit www.barrettdistribution.com.