

Singapore Productivity Centre **Business Improvement Series**

LEAN, TECH AND TOUCH – 360° APPROACH TO PRODUCTIVITY IMPROVEMENT

Decks Pte Ltd



The Singapore Productivity Centre (SGPC) Business Improvement Series

This is a series of case studies that showcases companies that have embarked on business improvement initiatives and highlighting how productivity and innovation can transform a business to be profitable, scalable and sustainable.

Applying its expertise in the Retail and Food sectors, SGPC helps companies improve and transform. It reviews a company's practices and processes before applying the relevant tools and techniques, while incorporating the best practices of similar businesses to help ensure their competitiveness and success.

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We know that heavy reliance on manpower would not be sustainable. Hence we must leverage on technology to improve efficiency.

Mr Kelvyn Chee, Managing Director, Decks Pte Ltd

About

About Decks Pte Ltd

One of the leading apparel suppliers to department stores in Singapore, Decks boasts over 40 Surfers Paradise, Island Shop, M)phosis and Beverly Hills Polo Club stores and counters in Singapore, and several counters throughout Thailand, Myanmar and Malaysia. The company is also the appointed agent for BHG and authorised designer and manufacturer for Universal Studios Singapore's character merchandise.

Decks is an early adopter of technology to help streamline its business throughout the Asian region. With the retail industry moving increasingly online, it saw the need to improve efficiency across its operations, so customers receive prompt and reliable service.



ENERMAX
PERFORMANCE GEAR



ISLE & ISLE
RESORT & YOGA
SINGAPORE

SURFERS
PARADISE
AUSTRALIA

m)phosis



Main challenges

- Heavy reliance on manpower in a manpower-scarce city
- Changing consumer preferences and digital disruption
- Increase in expectations for customer service to be quick, seamless and interactive

Objectives

- Leverage on technology to optimise operational productivity
- Improve inventory management efficiency and accuracy
- Deliver a better customer experience

Incorporating RFID Technology to its Business Processes

The company's various brands make up a large number of Stock Keeping Units (SKUs). This makes counting inventory tedious, taking main stores about two days to take stock of what is available. As a result, replenishment of stocks to the stores is untimely. By adopting a RFID technology-based inventory management solution, the company saved 70 to 80 man-hours per day as staff were freed from manually processing delivery orders. Resources were

channelled to higher value-added tasks such as customer service and driving sales.

The company's unique RFID inventory system has given it a competitive advantage by tracking garments by colour and size, thereby reducing processing time and ensuring that the inventory information is timely and accurate.

PRODUCTIVITY IMPROVEMENT WITH RFID IMPLEMENTATION

With the new system, inventory information is more detailed, allowing the tracking of available sizes and colours for every product group while requiring fewer man-hours to operate. It has improved information accuracy of Deck's entire inventory.



MORE THAN
90%
Reduction in
man-hours

Manpower required
reduced from an
average of
14 pax to 1 pax



RESULTS

(BEFORE AND AFTER IMPLEMENTATION)



BEFORE RFID



AFTER RFID

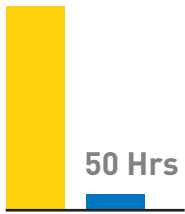
DAILY OPERATION



Counting warehouse inventory

(est 250,000 pcs in/out warehouse at 500 pcs per hour)

500 Hrs



MAN-HOURS PER MONTH



COLOUR & SIZE

99.80%



ACCURACY



Receiving of goods from suppliers

(est 100,000 pcs)

200 Hrs



MAN-HOURS PER MONTH



COLOUR & SIZE

99.80%



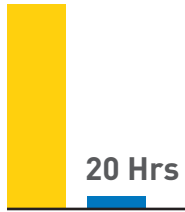
ACCURACY



Stock check

(40 counters)

320 Hrs



MAN-HOURS PER MONTH



COLOUR & SIZE

99.80%



ACCURACY



Replenishment of stocks

(40 counters)

640 Hrs



MAN-HOURS PER MONTH



COLOUR & SIZE

99.80%



ACCURACY

ANNUAL TASKS



Annual stock taking

(40 counters)

600 Hrs



MAN-HOURS PER MONTH



COLOUR & SIZE

99.80%



ACCURACY



Others

(eg. Data entry and tallying/checking)

500 Hrs



MAN-HOURS PER MONTH



COLOUR & SIZE



Increasing Sales Through RFID-enabled Smart Fitting Rooms

Decks also adopted a RFID cashier-less system, which gives customers the freedom of self-service. The system allowed customers to scan and process up to 10 pieces of clothing at a time, for payment.

With the RFID inventory system improving accuracy and reducing man-hours and backend operating costs, Decks can now focus on improving sales at retail outlets. To do this, it is implementing RFID Smart Fitting Rooms, the first in Singapore that will use RFID technology and touch screens to improve

customer shopping experience. The system will detect garments with RFID tags taken by customers into fitting rooms. The information from the RFID tags will be displayed on a touch screen to engage the customer. It will also allow the customer to request for another size or colour without leaving the fitting room. This allows Decks to proactively recommend complementary products. The RFID Smart Fitting Rooms will increase conversion rates in fitting rooms, thus increasing sales for the retailer.

BENEFITS AND CHALLENGES OF RFID IMPLEMENTATION

BENEFITS



Increased productivity — sales staff can focus on improving customer service rather than manual stock count



15% increase in sales



Attract and retain workers with the new and exciting technology-driven work environment



Accurate stock tracking will reduce pilferage and stock loss

CHALLENGES

- Managing end-user expectations of implementing new technology
- Optimising new technology so the company can maximise its benefits
- Minimising daily operational disruption when integrating new processes



SOLUTIONS

- Re-organised the RFID process and put in place rules and regulations for processes involving manufacturing, packing, merchandising and logistics flow
- Created standard operating procedures to train and guide staff through the implementation of RFID technology in their daily work

Because it is a new technology, we had to learn how to maximise its capabilities. As a result, we went through a testing period to understand the limitations and benefits. We eventually put all the processes in place and re-organised the process to suit our needs. We now have 13 process training books to ensure all the SOPs are in place.

Mr Kelvyn Chee, Managing Director, Decks Pte Ltd

Improving Customer Experience

To improve in-store service experience, Decks embarked on a Customer-Centric Initiative (CCI) project. With support from Enterprise Singapore (previously SPRING Singapore) and working with the Singapore Productivity Centre's (SGPC) consultants, Decks implemented a self-service stock availability check system for customers. This system reduces packing errors from purchases. With fewer errors and complaints, it improved service level and employee morale.



PROJECT SCOPE OF WORK

To assess customer satisfaction, SGPC's consultants conducted the following:

CCI objectives:

- Improve customer service and productivity by providing real-time stock information
- Efficient recording and retrieval of customer membership details
- Shorten cycle time per service experience
- Improve employee satisfaction



Recommended solution

To create a customer-friendly mobile inventory application

SCOPE OF WORK



Operations
infrastructure
review



User system
training



Documentation
of user
requirements



User
acceptance
tests



Design, coding
and testing of
the new system



Post-launch
system review



Data transfer
and conversion

About Customer Centric Initiative

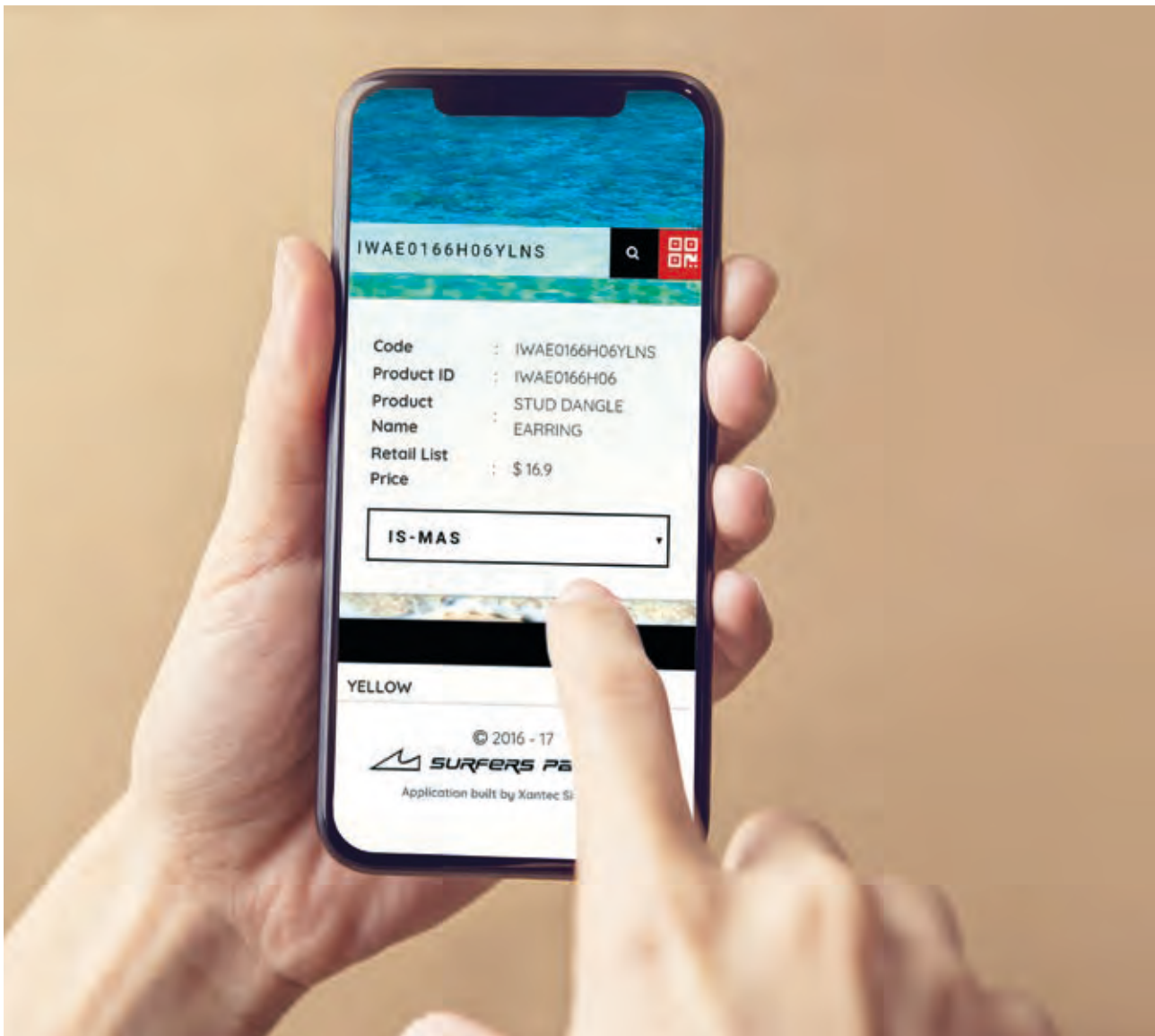
The Customer Centric Initiative (CCI) aims to encourage companies to be committed to service excellence and to take the lead in raising service standards in their industry. A multi-agency effort by Enterprise Singapore (Previously SPRING Singapore), National Trades Union Congress, Singapore Tourism Board, Workforce Singapore, and the Institute of Service Excellence at SMU, CCI offers an assistance package to assist Singapore-based companies in upgrading service standards.

The CCI assistance package covers up to 70% of eligible costs for SMEs and up to 50% for non-SMEs in sectors such as Food & Beverage Services, Healthcare, Hospitality, Retail, Transport and Travel Services.

For more information about CCI visit www.enterprisesg.gov.sg

The Customer Inventory Inquiry System

The new Surfers Paradise Mobile App is a customer inventory inquiry system. It allows customers to check the inventory using their mobile phones by scanning the QR code on the product tags or search by entering the product's Stock Keeping Unit (SKU) number. When the information is entered, the app will display the product inventory information such as colour, sizes and quantity available.



PROJECT RESULTS

+30%

Customer
Satisfaction Level



+50%

Process
Improvement –
Implementation
of Surfers
Paradise Mobile
App



+25%

Mystery Audit
Results



+50%

Customer
Loyalty



+100%

Awarded
Singapore
Service Class



+20%

Productivity:
Sales Per
Worker



+10%


Remuneration
Per Worker



+25%

Revenue





Before we applied for the Singapore Service Class, we developed a lot of processes that inadvertently corporatised the company. That wasn't our intention — I just knew that we needed solid processes to improve the business. But the implementation journey taught us that sound processes are important to growing the company for the future. Receiving the Business Excellence Awards was a bonus.

SGPC has opened many doors for us in terms of productivity. We have attended many learning journeys with them and they have provided invaluable advice on our projects. Their experience and expertise have really helped in the implementation of our projects.

Mr Kelyyn Chee, Managing Director, Decks Pte Ltd

Productivity Improvement Programme Partners



The Singapore Productivity Centre (SGPC) is a one-stop competency centre that is endorsed by the National Productivity Council.

The mission of SGPC is to drive enterprise productivity for sustained growth and competitiveness. It focuses on the retail, food services and hotel sectors.

SGPC provides a comprehensive range of services and solutions to help enterprises effectively, including in-depth productivity consultancy, conferences and workshops on productivity-related topics, benchmarking and applied research.

With the formation of SGPC, companies in the retail, food services and hotel sectors can now approach a single centre for expert productivity assistance.

Over the last three years, SGPC has assisted over 1,000 companies through productivity improvement projects, productivity training programmes, conferences and workshops.

Through its activities, SGPC hopes to demystify the concept of productivity thereby promoting better understanding of its measures and how to improve productivity in the organisation.

For more information
visit www.sgpc.sg



Enterprise Singapore is the government agency championing enterprise development. Its vision for Singapore is a vibrant economy with globally competitive Singapore companies.

International Enterprise Singapore and SPRING came together on 1 April 2018 as a single agency to form Enterprise Singapore. Its mission is to grow stronger Singapore companies by building capabilities and accessing global opportunities, thereby creating good jobs for Singaporeans.

The agency works with committed companies to build capabilities, innovate and internationalise. It also supports the growth of Singapore as a hub for global trading and startups. As the national standards and accreditation body, Enterprise Singapore builds trust in Singapore's products and services through quality and standards.

For more information
visit www.enterprisesg.gov.sg



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Transform.
Innovate.
Future-ready.