KONG increases inventory accuracy and realizes multiple benefits

Summary

Customer
KONG (The Kong Company)
kongcompany.com

Industry
Pet toy manufacturing and distribution

Location
Golden, Colorado, United States

Partners
Insight Works (ISV)

Solution
- Microsoft Dynamics 365 Business Central
- Advanced Inventory Count
- Warehouse Insight

Results
- 900-bin count cut from 144 to 12 person-hours
- Weekly cycle counts now practical
- Labor cost savings and staff time re-allocated
- Multiple people counting at once, in real time
- Fewer counting errors with handheld mobile computers
- Lower inventory levels from head office visibility
- Quick onboarding for new staff



Note: This case study was originally published in 2017 and reflects KONG's operations and systems at that time.

ABOUT KONG (THE KONG COMPANY)

The Kong Company (stylized as KONG) is a global organization based in Golden, Colorado, with worldwide distribution centers. KONG continues to evolve and deliver on its commitment to manufacture quality toys and treats for both canines and felines.

CHALLENGE

The software tools and processes that worked well for KONG at one time were being challenged as KONG experienced growth. When it came to KONG's warehouse and distribution centers, being able to maintain an accurate count of inventory was becoming increasingly difficult. Using its old system, KONG would perform very few cycle counts due to the time involved in counting. This would result in inaccurate inventory records.

KONG has grown as a company that encompasses worldwide distribution centers, and as such has outgrown its previous system consisting of QuickBooks accounting software, Microsoft Excel spreadsheets and paper-based processes.

While KONG's head operations in Colorado would normally manage the inventory levels at all their remote locations, a lack of visibility into the company's global distribution centers made it difficult to know the exact status of each remote location. Distribution centers, for example, would end up carrying more stock than necessary because there was little visibility into real-time inventory levels.

Additionally, warehouse and inventory management was time intensive where inventory counts would often take an entire year to complete, with reconciling and resolving count errors becoming a daunting manual process. The staff would count 1/12 of their bins a month, which would take approximately 16 hours.

The task of receiving stock also exhibited inefficiencies as distribution centers received container-loads of goods; an entire container needed to be received and put-away before picks could be done, and this process resulted in the delay of order shipments.

What's more, KONG's current internal processes made onboarding of new staff time-consuming and complicated, often taking up to two weeks of training in order for staff to perform inventory counts.

SOLUTION

KONG integrated Insight Works' Warehouse Insight and Advanced Inventory Count add-ons for Business Central, replacing its homegrown ERP system with Microsoft Dynamics 365 Business Central.

1. Warehouse Insight: Warehouse Insight brings mobile device integration to a warehouse setting. To complement the integration, Insight Works procured Datalogic Falcon X3+ handheld mobile computers, providing KONG with a tailored solution for demanding environments requiring real-time transaction visibility. These mobile computers ran Insight Works' Warehouse Insight and Advanced Inventory Count modules helping connect Business Central to KONG's warehouse floor for inventory counts, picks, put-aways and more.

Because KONG products are pre-packaged for retailers, everything already had barcodes, so the Insight Works Business Central add-ons made it simple to add scanning capabilities to the new Business Central ERP environment. Barcode-enabled pick lists and the ability to create barcode labels for bins rounded out the process, with KONG's remote operations now being able to access Business Central via Citrix desktop virtualization.

2. Advanced Inventory Count: Advanced Inventory Count simplifies inventory and cycle counts with comprehensive data entry, reconciliation, posting and analysis tools.

ROLLOUT AT KONG'S AUSTRALIAN DISTRIBUTION CENTER

The new ERP solution was initially rolled out at KONG's Australian distribution center located in Dandenong South, Victoria. The test phase proved successful and plans are underway to roll out the solution globally to KONG's entire operation network. Stuart Robertson, KONG's Warehouse Manager in Australia, was tasked with testing and using Business Central within a live environment.

RESULTS

- Counting 900 bins using KONG's previous system required 144 person-hours (18 work days); using the add-ons from Insight Works, the same number of bins were counted in 12 person-hours (1.5 work days), saving 132 person-hours and reducing count time by over 90 percent.
- Because cycle-counts could be performed quickly, KONG was now able to institute weekly cycle counts resulting in maintaining accurate inventory levels.
- Significant labor cost-savings were realized, staff time was re-allocated to more productive tasks, customer satisfaction increased and capital resources were used more efficiently.
- Ability for multiple people to simultaneously perform inventory.
- Data recorded in real-time.
- Significantly reduced counting errors using handheld mobile computers.
- Count error details corrected quickly with real-time dashboard reporting.
- Reduction of "orders shipped" delays.
- Reduction of inventory levels due to head office visibility into real-time metrics.
- More accurate and timely shipments.
- Quick staff onboarding via the user-friendliness of the Insight Works' add-ons.

About Insight Works

Insight Works is a Microsoft Dynamics 365 Business Central ISV (independent software vendor) specializing in warehouse management, manufacturing, and productivity solutions. With a portfolio of apps available on Microsoft Marketplace, Insight Works helps distributors, manufacturers, and wholesalers extend Business Central to fit the way they actually work. Learn more at insight-works.com.

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