



GreyOrange

Dafiti Cuts Operational Costs and Serves Customers Faster with GreyOrange Smart Warehousing



The Challenges: **A tight labor market and complex inventory flow**

In an ultra-competitive labor market, it was becoming increasingly challenging and costly for fashion ecommerce retailer Dafiti to deliver on its customer promises: the best online shopping experience with 48 hrs or less delivery to the whole country and free 30-day returns.

Additionally, Dafiti's warehouse processes were quite complex, as they included shipping to e-commerce companies through a mix of several manual steps: cross-docking, picking, order consolidation, and value-added services (VAS).

In order to streamline, scale and improve accuracy, Dafiti began exploring warehouse automation for Dafiti's operations in Chile. The retailer wanted to avoid the pitfalls of traditional fixed automation (a conveyor network), specifically the large upfront investment, long lead times and a lack of flexibility to accommodate peak volumes.

The Dafiti Group is the largest group of fashion and lifestyle ecommerce platforms in Latin America. Founded in 2011 and operating in 4 countries (Argentina, Brazil, Chile and Colombia)

Geography: Latin America

GO Solutions: GreyOrange Ranger MoveSmart (RMS), powered by GreyMatter

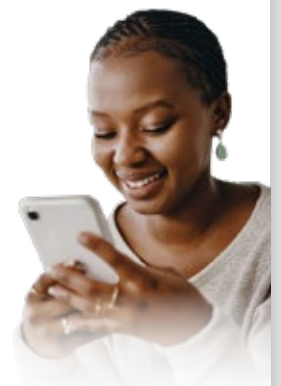
Partner: Sistemo

Fulfillment Specs:

- ▶ Warehouse size: 146,389 sq ft
- ▶ Number of shifts: 2-3
- ▶ Maximum inbound throughput: 720 parcels per hour
- ▶ Maximum outbound throughput: 1420 parcels per hour
- ▶ Mode of transportation: Trucks/Trailers

GO Impact:

- ▶ Projected to save approximately USD \$3 million in a 5-years period
- ▶ Increased maximum sortation throughput by upto 65%
- ▶ Expected decrease in labor needs by upto 40%





The Solution:

Smart warehousing for a boost in fulfillment efficiency and accuracy

GreyOrange partnered with Sistemo, the premier South American consulting and implementation firm for smart fulfillment solutions, to deploy GreyOrange Ranger™ MoveSmart (RMS) robots powered by GreyMatter. The solution provides automated, agile, and intelligent conveying and sorting systems:

- ▶ Two automatic stations are inducting parcels as large as 31"x23" onto 40 RMS bots, which are sorting 1420 parcels per hour to over 120 destinations.
- ▶ GreyMatter leverages artificial intelligence (AI) and machine learning to optimize inventory in motion, informing dynamic decisions and ensuring a continuous flow of inventory. At Dafiti, the platform is designed to support cross-docking, inbound and outbound sortation, automatic generation of shipping manifests, and notification triggers to upstream and downstream stakeholders to deliver higher throughput.
- ▶ To maximize efficiency, all flows are processed in a single field, greatly reducing footprint, storage costs and handling.
- ▶ The GreyMatter command center application provides real-time performance analytics and enables modular control, allowing users to easily configure RMS workflows. For example, Dafiti users can redefine sortation logic, and easily switch between multiple sort configurations.



The Impact:

Greater fulfillment efficiency and accuracy, with the potential to save millions

With GreyOrange intelligent fulfillment, Dafiti can now ship customer orders faster and with greater accuracy, which will be especially beneficial during peak seasons. Compared to traditional conveyor sorters, the GreyOrange solution is more flexible, scalable, efficient and cost-effective.

Dafiti has already:

- ▶ Reduced go-live time by 50% (in comparison to conveyor systems)
- ▶ Lowered costs by 50% (in comparison to a traditional fixed conveyor installation)
- ▶ Increased maximum sortation throughput by upto 65%

Over time, Dafiti expects that it could potentially:

- ▶ Realize projected savings of approximately \$3 million over 5 years through the reduction/reallocation of manpower
- ▶ Decrease labor needs by upto 40%



We chose **GreyOrange** to support our fulfillment operations because we want to provide our customers with the best possible shopping experience with reliable, fast delivery times and complete visibility. As we plan for future growth, we knew that within the next five years, we'd need a solution that could give us increased flexibility and scalability.

- **Jose Miguel Cortés**

Chief operating officer for Spanish-speaking countries, Dafiti Group