

NEWEGG TACKLES PEAK DEMAND WITH OPEX® GOODS-TO-PERSON SOLUTION

Perfect Pick® technology helps fulfill orders within 30 minutes of placement and achieve same-day shipping goals

OPEX®

// THE BACKGROUND

Newegg is a leading ecommerce company that boasts over 25 million registered users. They sell over 17 million products, mostly consumer electronics, although more recently, Newegg has expanded its product line to include toys, jewelry, home appliances, sporting goods, and pet supplies. Operating multiple fulfillment centers globally across four strategic locations in the U.S., Newegg's primary goals are to provide seamless order fulfillment, deliver the highest level of efficiency, and provide maximum productivity while controlling operational costs.

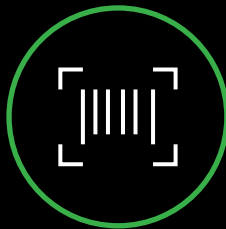
// THE CHALLENGE

Newegg needed to build a new distribution center where orders could be picked with higher throughput, greater accuracy, and with fewer people. They required a scalable system that could keep up with Newegg's exponential growth. Additionally, Newegg needed the system to meet its same-day shipping goals while also handling the significant spike in holiday order demand – up to 18,000 orders per day. Because Newegg sells high-end electronics, they also require a secure storage environment.

// KEY CHALLENGES



NEEDED ORDERS TO BE PICKED WITH HIGHER THROUGHPUT WHILE KEEPING LABOR COSTS LOW



HIGH-DOLLAR SKUS REQUIRED A SECURE STORAGE ENVIRONMENT



ACCOMMODATE VOLUME FLUCTUATIONS DURING PEAK SEASONS

// KEY RESULTS

18K

ORDERS PER DAY DURING
PEAK SEASON

20

CYCLE TIME IN MINUTES

17M

HIGH-END PRODUCTS SECURED
INSIDE THE PERFECT PICK®

// THE SOLUTION

Newegg built a new 400,000 square foot distribution center in Indianapolis, Indiana. After researching several automated order fulfillment systems, Newegg decided to implement a two aisle Perfect Pick® system. Perfect Pick was the innovative and advanced solution that Newegg wanted and was flexible enough to handle their spikes in demand during peak seasons.

The Perfect Pick robotic picking technology was explicitly engineered to simplify order fulfillment automation with increased throughput, reliability, and cost-effectiveness. For Newegg, the Perfect Pick was the self-contained, standalone point solution that answered their needs with modular, high-density racking and autonomous iBOT® robotic delivery vehicles, which can access every storage location within their aisle.

// THE FUTURE

Perfect Pick easily supports future expansion without any major disruptions to the operation. The flexibility of the system allows Newegg to accommodate their growing business. By adding advanced technology like Perfect Pick, Newegg demonstrates to their customers and prospective clients their dedication to providing state-of-the-art order fulfillment and outstanding customer service.

"WE SELECTED PERFECT PICK® FOR MULTIPLE REASONS, BUT THE MOST IMPORTANT REASON WAS SCALABILITY."

-Chuck Cornwell
GM and Senior Operations Manager, Newegg

"EVERYTHING IN THE SYSTEM IS A HIGH-VALUE ITEM THAT COULD EASILY BE WORTH \$1,000 OR MORE. ONCE AN ITEM GOES INTO THE PERFECT PICK®, WE KNOW IT'S NOT COMING OUT UNLESS WE NEED IT TO FILL AN ORDER."

-Chuck Cornwell
GM and Senior Operations Manager, Newegg