



# Footstar And SDI Consulting: A Retail Distribution Case Study That's A Step Above.

## How Footstar Handles 175,000,000 Shoes.

Footstar is a \$2.4 billion company that has the distinction of selling one out of every seven pairs of shoes sold in the United States, through over 2200 Kmart, Rite-Aid, Federated stores and through its retail divisions Footaction USA and Just for Feet. The company's stated mission is to be the best growth footwear company in the United States, and, in terms of the number of retail doors serviced, is the second largest retailer in the US.

## Footstar Called SDI Consulting And Tried Us On For Size.

Footstar wanted to optimize their logistics network and called SDI Consulting. The company operated three distribution centers, a 585,000 square foot automated facility in Gaffney, South Carolina; a 385,000 square foot automated facility in Mira Loma, California, and a 150,000 square foot manual facility in Dallas, Texas for Footaction USA that Footaction was projected to outgrow.

## Consolidating Footaction A Shoe-In.

SDI Consulting reviewed all of the Footstar facilities and projected needs forward for a five year period. After this review, we determined that Footaction USA could be integrated into the existing Gaffney distribution center avoiding a \$15 million capital expense in a new distribution center. Capacity of the existing tilt tray shoe sortation system was doubled, unused systems commissioned, and apparel sortation installed. Through intelligent design maximizing the utilization of the cube space, the entire existing material handling system was upgraded and selectively expanded to handle the additional business without expanding the Gaffney building.

## Getting A Better Toe-Hold In Gaffney.

Footstar decided to enter the consumer direct business for shoes and apparel in the spring of 1999, which neither Gaffney or Mira Loma were equipped to handle. Both current facilities were designed to ship mass quantities to a limited number of doors, where consumer direct required shipping one or two items to any customer in the US.

SDI Consulting created a phased solution in the Gaffney distribution center that minimized the capital investment in the new business that could grow as requirements dictated. The system aggressively utilized the existing building cube through multiple mezzanines to create an independent pick, pack, and ship operation for consumer direct.

## Making Strides In Mira Loma.

The growth in volume, the shifting of some regions from Gaffney to Mira Loma due to the integration of Footaction USA and the later Just for Feet acquisition, and Footstar's desire for more cross docking through Mira Loma increased shipping volume to the point where Mira Loma was operating three shifts and was unable to accommodate any additional organic growth, or any future acquisitions. Again, Footstar turned to SDI Consulting.

## A Tight Fit.

The Mira Loma site provided many challenges as the amount of available land for expansion was limited, and the current on street parking had to be brought on site to address associate safety, vandalism, theft and friction with the local community.

SDI Consulting engineered a solution maximizing the use of the site through a creative building expansion including an employee parking garage, maximization of cube through multiple material handling structures, high speed sortation, and a retrofit of the existing building to be implemented in two phases.

While the building expansion was under construction, the existing building was upgraded to increase receipt capacity by 20% and double break case picking output. Operations were reduced from three shifts to two and upgrade benefits accelerated by 18 months.

## Running Ahead Of The Competition.

For more than six years, SDI Consulting has worked in partnership with Footstar to optimize and hone Footstar's logistics capability as the business has evolved and new requirements have arisen.

*In Gaffney.* After the consolidation of Footaction into the facility, and the subsequent purchase of Just for Feet, Gaffney handles an additional \$1.3 billion in merchandise, processing more than 17 million pairs of footwear, 7.4 million accessory units, and 6.6 million apparel units annually.

*In Consumer Direct.* The Consumer Direct Division is constantly one of the top five performing stores in the company and is positioned to be one of the driving growth factors in the next five years.

*In Mira Loma.* After the completion of the 185,000 square foot expansion to the Mira Loma, total site receiving capacity was increased to 220 containers per day and operations reduced to a single shift, positioning the company for future growth as the "best growth footwear company in the United States".

## Expert Thinking At SDI Consulting.

We're the best group of experienced, strategic, logistical, customer-focused materials handling expert thinkers on the planet. Our consultants have over 125 years of collective industry solutions in the retail distribution environment. For more information on Footstar contact: Patrick Eidemiller; [peidemiller@sdiconsults.com](mailto:peidemiller@sdiconsults.com). Or, Mary Adams; [madams@sdiconsults.com](mailto:madams@sdiconsults.com).