

# How DICK'S Sporting Goods Wins with Omni-Channel Automation

Presented by:

Greg Conner, Bastian Solutions

Matt Kuper, Bastian Solutions



POWERED BY **POSSIBILITIES.**

**Bastian**  
SOLUTIONS

a TOYOTA ADVANCED LOGISTICS company



**MODEX** 2020

GEORGIA WORLD CONGRESS CENTER  
ATLANTA | MARCH 9-12

**MODEXSHOW.COM**

powered by  MHI



**Matt Kuper**

Director of National Accounts

Bastian Solutions



**Greg Conner**

VP, Global Sales

Bastian Solutions

# Objectives

- Overview of DICK'S Sporting Goods Supply Chain
- Key Data Points
- Solutions
  - Retail
  - E-Commerce
- Results







# DICK'S Sporting Goods Overview

POWERED BY POSSIBILITIES.





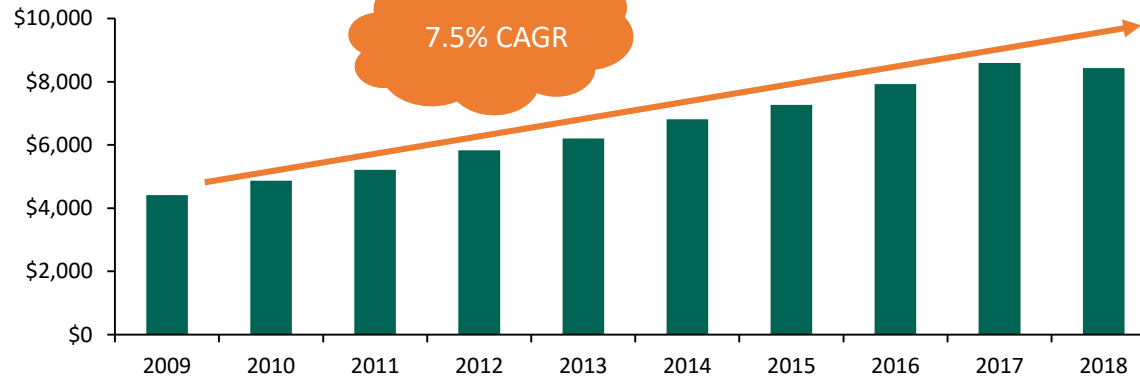
## DICK'S Sporting Goods at a glance

- Largest omni-channel sporting goods retailer in the United States
- Over \$8 billion in annual sales, including a \$1+ billion eCommerce business
- Over 800 DICK'S Sporting Goods, Golf Galaxy, and Field & Stream stores
- Ended FY18 with no borrowings on our revolving credit facility (current borrowing capacity of \$1.6 billion)
- Aggressively investing in our business: Store experience, product development, technology, and supply chain/eCommerce
- Delivered positive +6% comps in Q3 2019, the Company's strongest quarterly comp sales gain since 2013

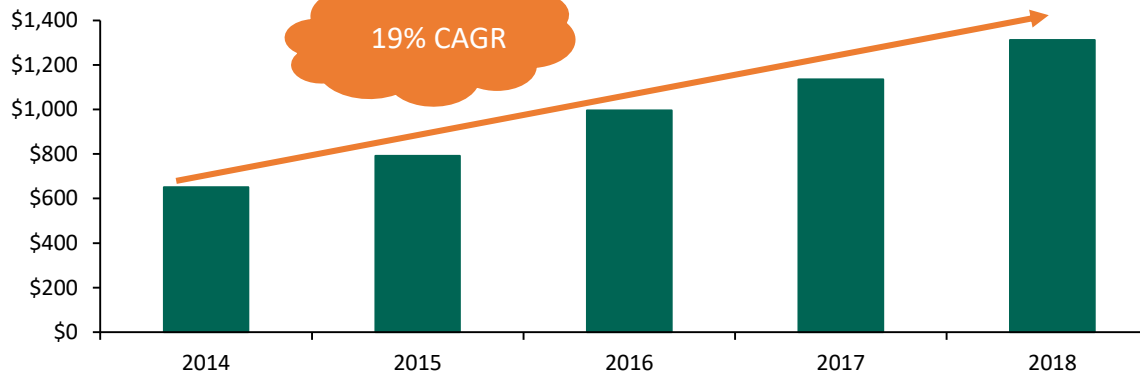
**POWERED BY POSSIBILITIES.**

# STRONG SALES AND EPS GROWTH WITH A POWERFUL ECOMMERCE PRESENCE

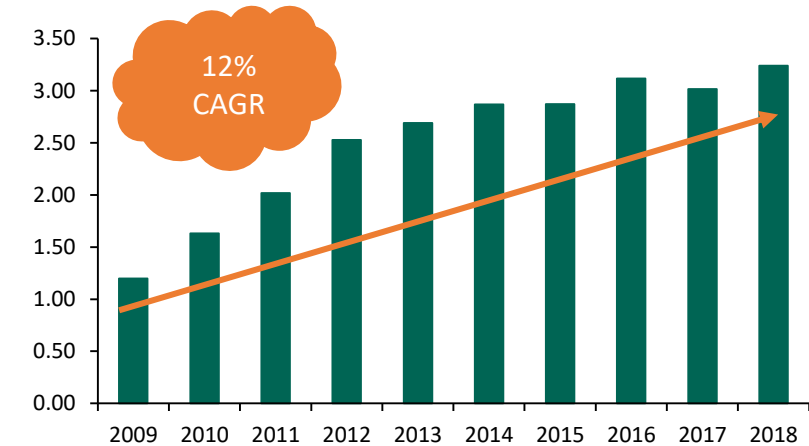
**Total Sales <sup>(1)</sup>**  
(\$ in Millions)



**eCommerce Sales <sup>(1)</sup>**  
(\$ in Millions)



**Non-GAAP EPS <sup>(1)</sup>**



**POWERED BY POSSIBILITIES.**





TO BE THE  
**BEST** SPORTS  
COMPANY IN  
THE WORLD

VISION

POWERED BY POSSIBILITIES.

A low-angle shot of a basketball player in a grey t-shirt jumping to shoot a basketball into a hoop. The hoop and backboard are visible at the top of the frame. The background is a clear, bright blue sky. A dark blue horizontal banner with white text is superimposed over the middle of the image.

# DICK'S Sporting Goods' Supply Chain

**POWERED BY POSSIBILITIES.**



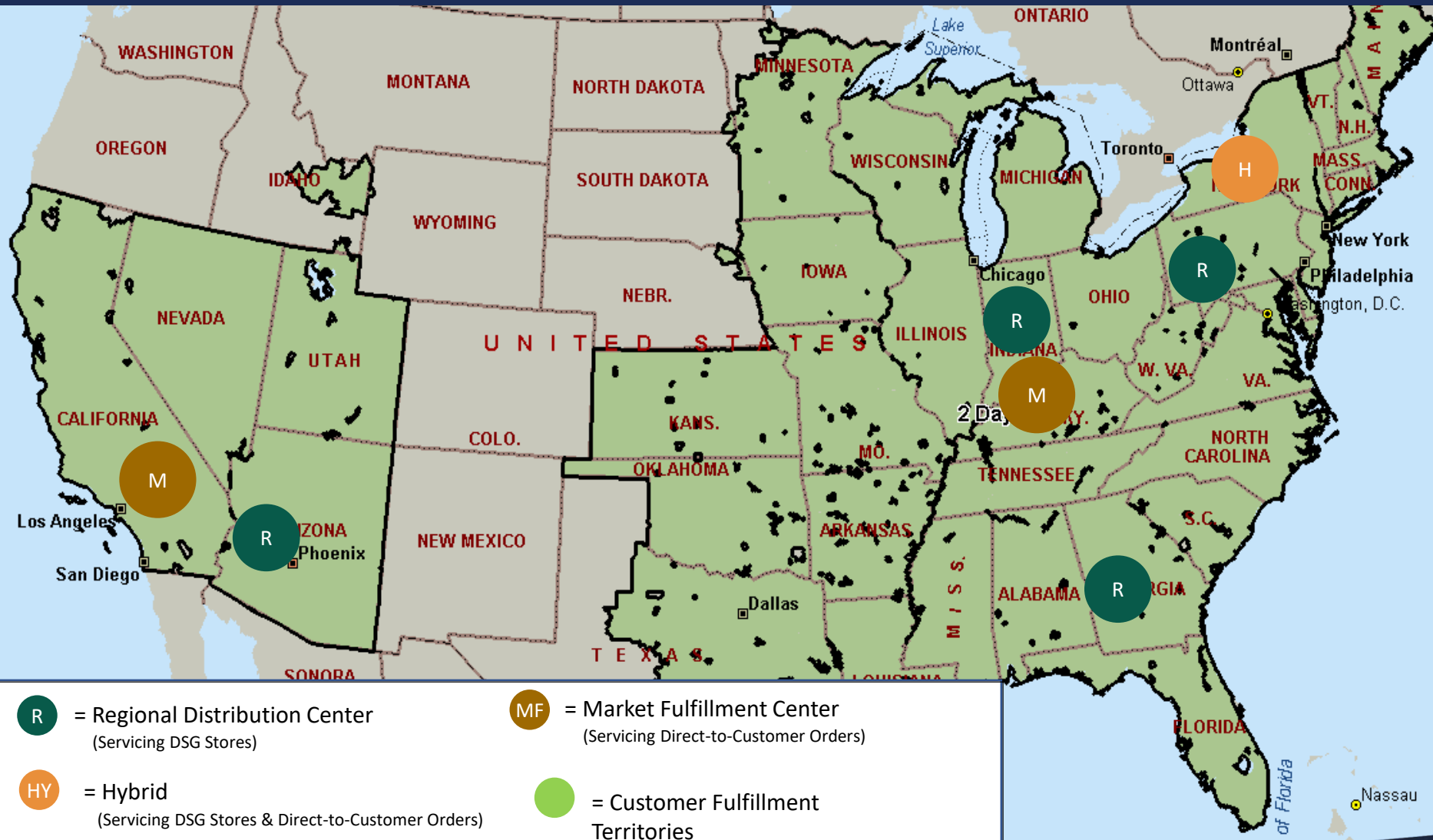
# OUR STORES ARE AT THE HEART OF THE COMMUNITIES WE SERVE



POWERED BY POSSIBILITIES.

# SUPPLY CHAIN / ECOMMERCE FULFILLMENT FY20

## OPENED ECOMMERCE FULFILLMENT CENTERS IN NY AND CA



### Flexible

Operational capabilities enable convenient fulfillment, centered on DSG key customer preferences.



### Fast

Standard shipping is market competitive with consideration towards need and occasion.



### Flawless

Key operating principles provide the capacity for all fulfillment to be consistent and reliable.



### Frugal

Network design and operational methodology ultimately help to maximize return to shareholders.

POWERED BY POSSIBILITIES.





**POWERED BY POSSIBILITIES.**







POWERED BY POSSIBILITIES.



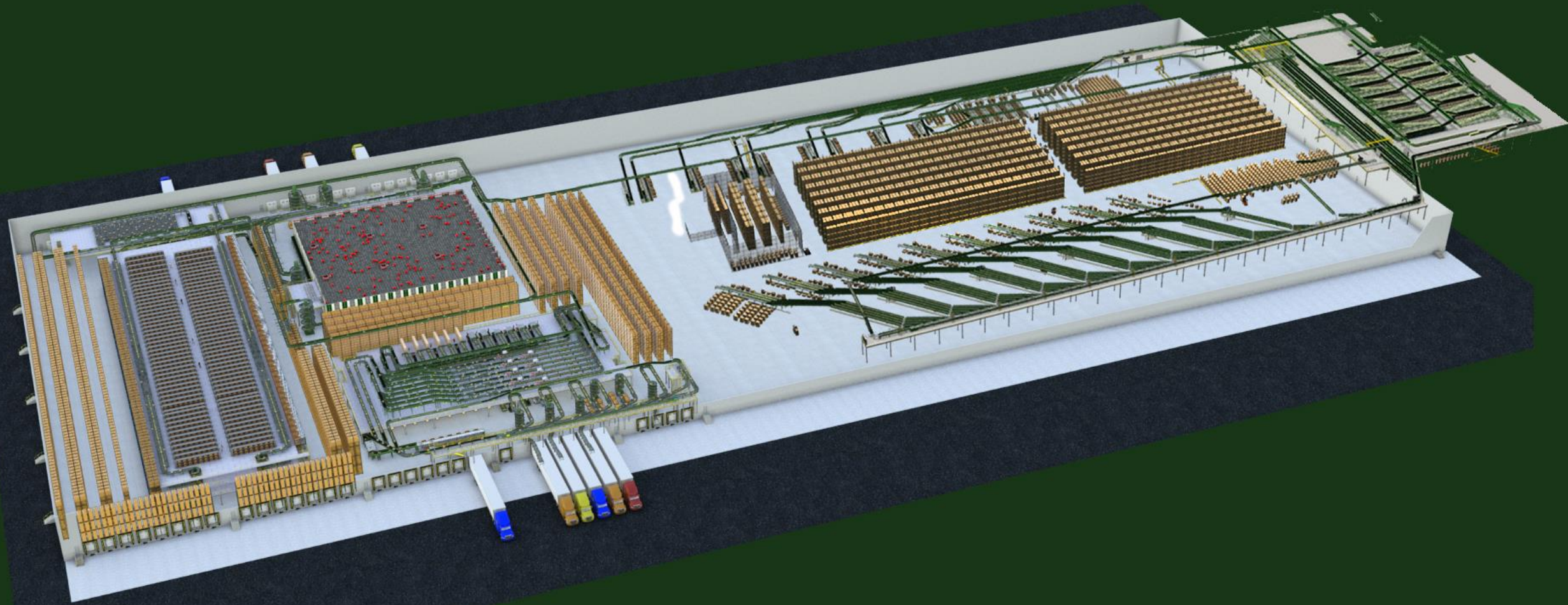


# Conklin, New York, Walkthrough



POWERED BY POSSIBILITIES.





**POWERED BY POSSIBILITIES.**

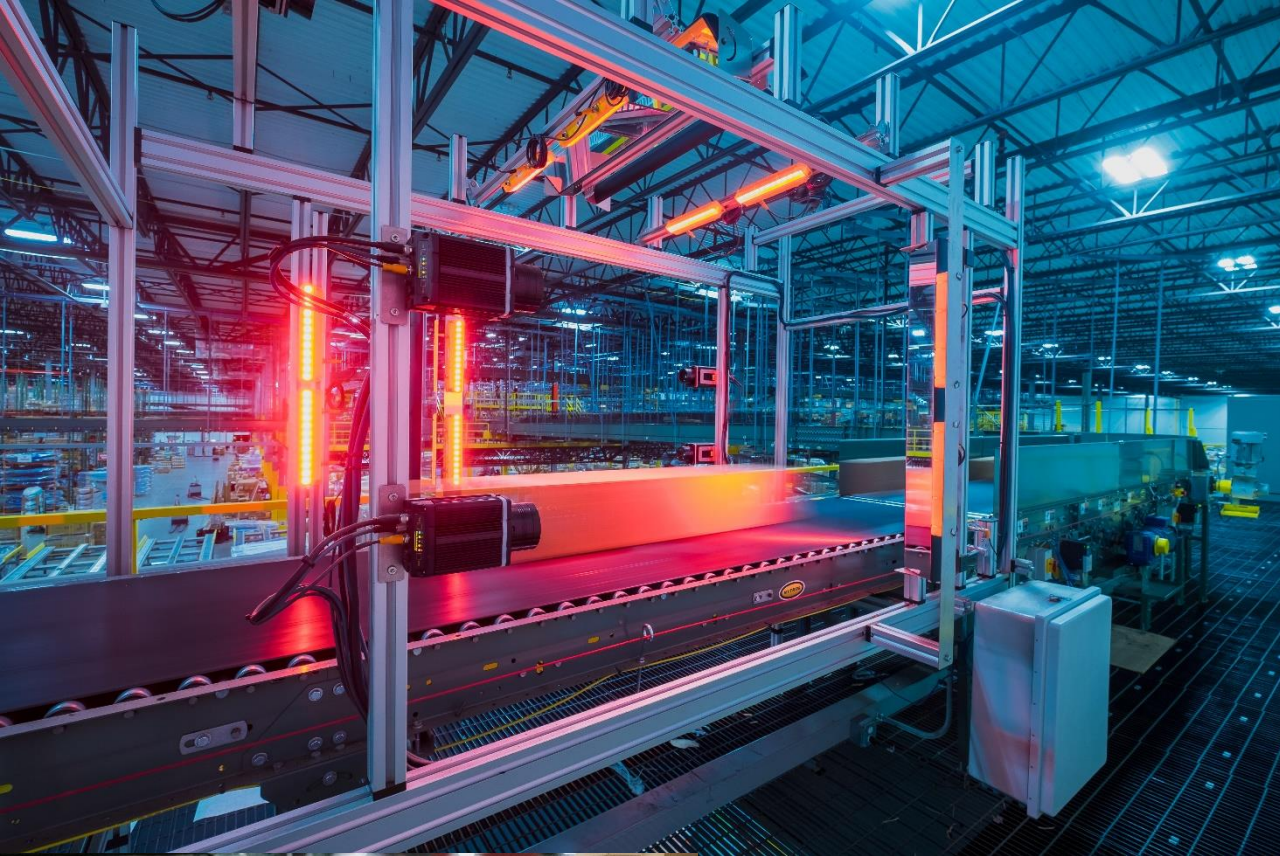


# Direct to Store



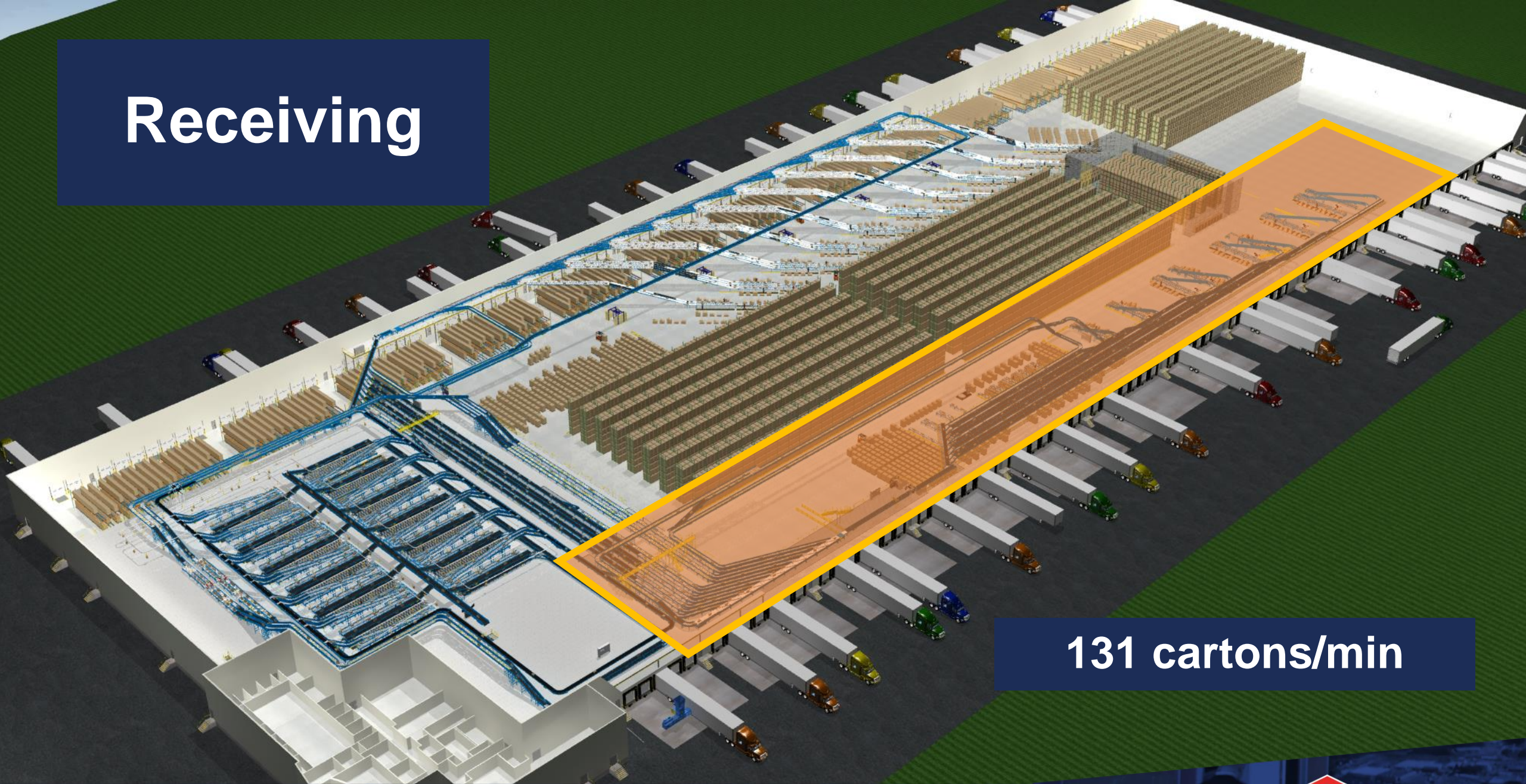
POWERED BY POSSIBILITIES.







# Receiving



131 cartons/min

POWERED BY POSSIBILITIES.



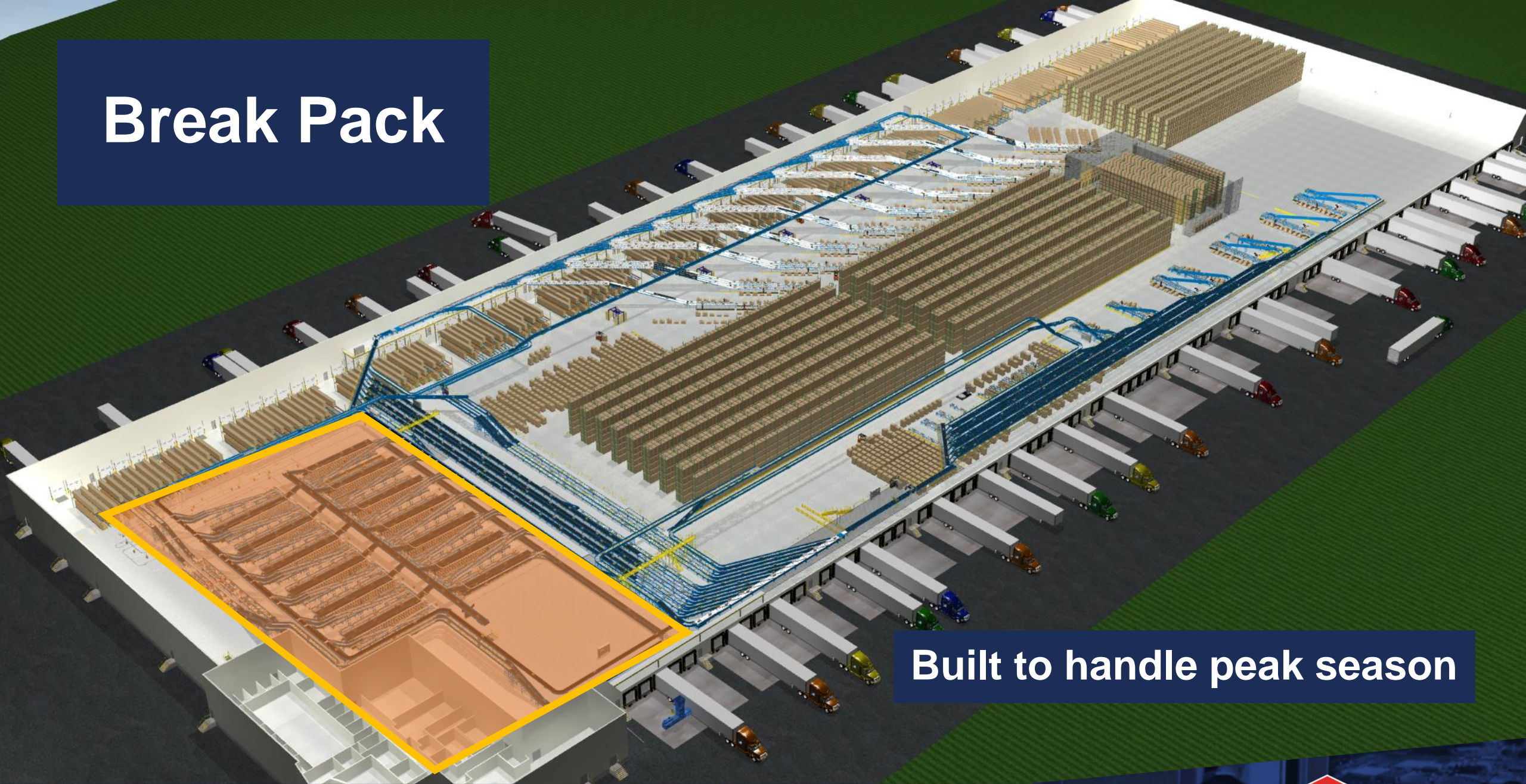
# Receiving



POWERED BY POSSIBILITIES.



# Break Pack



Built to handle peak season

POWERED BY POSSIBILITIES.



# Break Pack



POWERED BY POSSIBILITIES.



# Shipping

A 3D architectural rendering of a large warehouse interior. The warehouse is filled with numerous tall stacks of cardboard boxes. A yellow rectangular area is highlighted in the upper-middle section, representing a shipping zone. A blue rectangular area is highlighted in the lower-left section, representing a downline area. The warehouse has a high ceiling and a large open space. The floor is a light gray color. The walls are white. The roof is a dark gray color. The warehouse is surrounded by a green landscape. The sky is a clear blue color. The overall scene is a detailed 3D model of a modern warehouse.

38 downlines to carriers

POWERED BY POSSIBILITIES.



# Shipping



**POWERED BY POSSIBILITIES.**



# The Decision to Expand

## Why the need for expansion

- More products
- Faster shipping
- eCommerce vs. retail
- Changing order profile







# Key Data Points

**POWERED BY POSSIBILITIES.**



# Speed/Capacity of Fulfillment

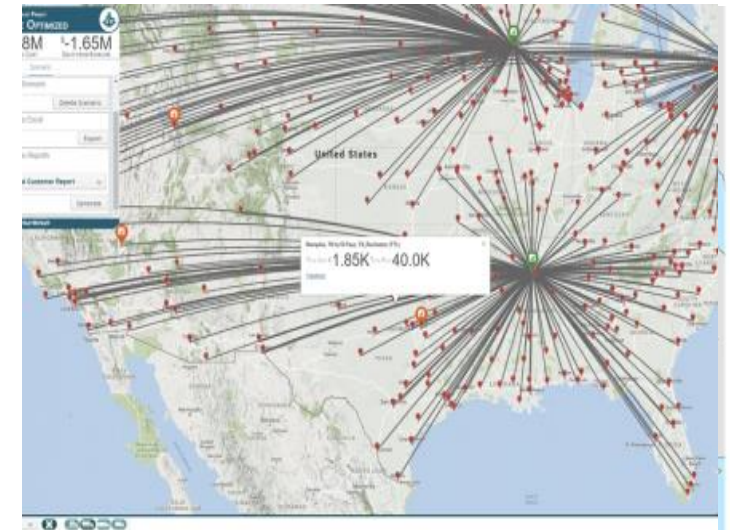
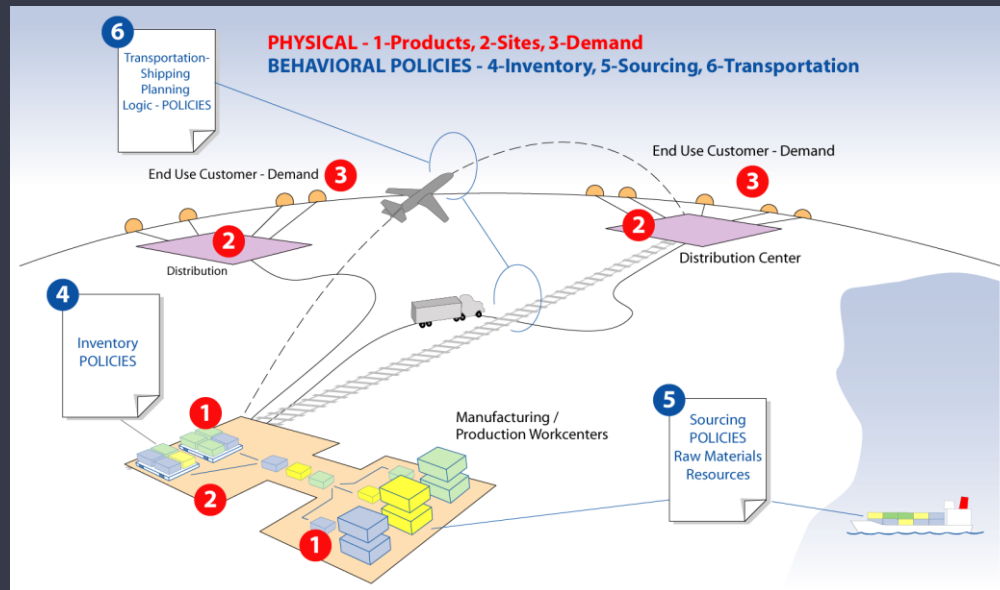
## Channel Differentiation:

### MEDICAL

- Supplies
- Consumables
- Controlled/Bio
- Basics
- Parts
- Equipment

### PHARMA

- Sched II and III
- Launch
- Experimental/Sched I
- Push
- Basics (Fast and Slow)
- Vital Stock (99.7%)
- Bulk
- Temp (DF, F, C, Ch, Cl)
- Emergency/Disaster
- Disease Control





# Engineering Study Methodology



1

Define



2

Measure



3

Analyze



4

Design



5

Validate

POWERED BY POSSIBILITIES.





**eCommerce is expected to grow 15% YOY**

**POWERED BY POSSIBILITIES.**



# Conklin eCommerce Channel Design Characteristics

**Metric**

**Units/Line**

**Lines/Order**

**Active SKUs/Day**

**Avg Lines/Day**

**Avg Units/Day**



**POWERED BY POSSIBILITIES.**



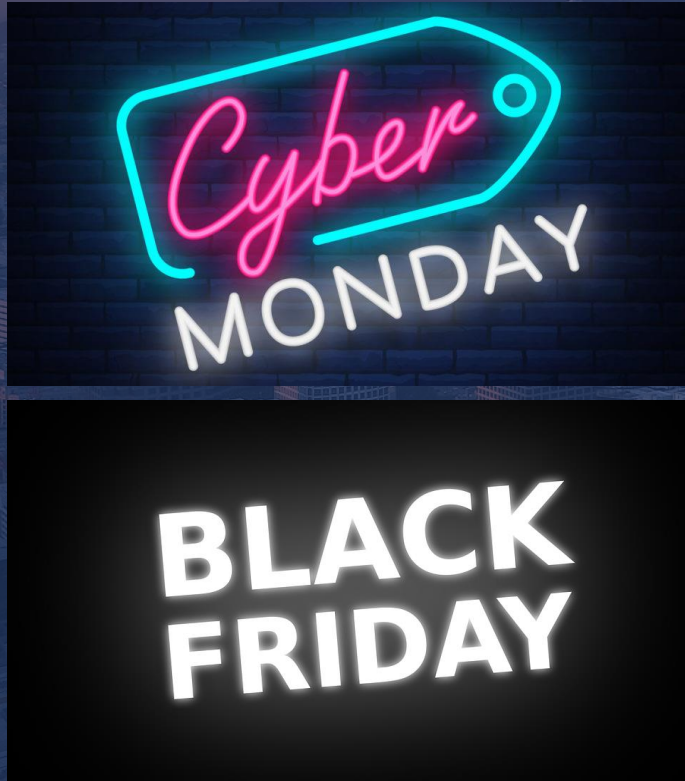
# SKU Pareto by Sales Channel

- Reviewed SKU volumes
- Closely followed the 80/20 rule





# Magnitude of Holiday Spike in Demand



Utilized technologies with high throughput capacities to quickly ship orders to athletes during spiked demand period within 48 hrs

POWERED BY POSSIBILITIES.





# Material Handling Solutions

POWERED BY POSSIBILITIES.



# Technology Considerations: Manual to Fully Automated



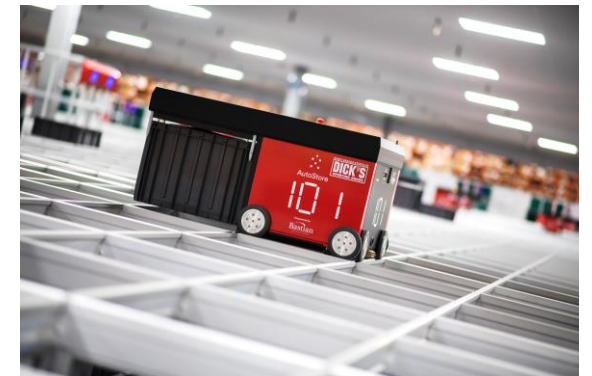
**Storage  
Racking**



**Conveyor and  
Diverts**



**Pick Modules  
Light Directed**



**AutoStore**



**Warehouse Management System  
WMS**

**Warehouse Control System  
WCS**

**Warehouse Execution System  
WES**

**POWERED BY POSSIBILITIES.**

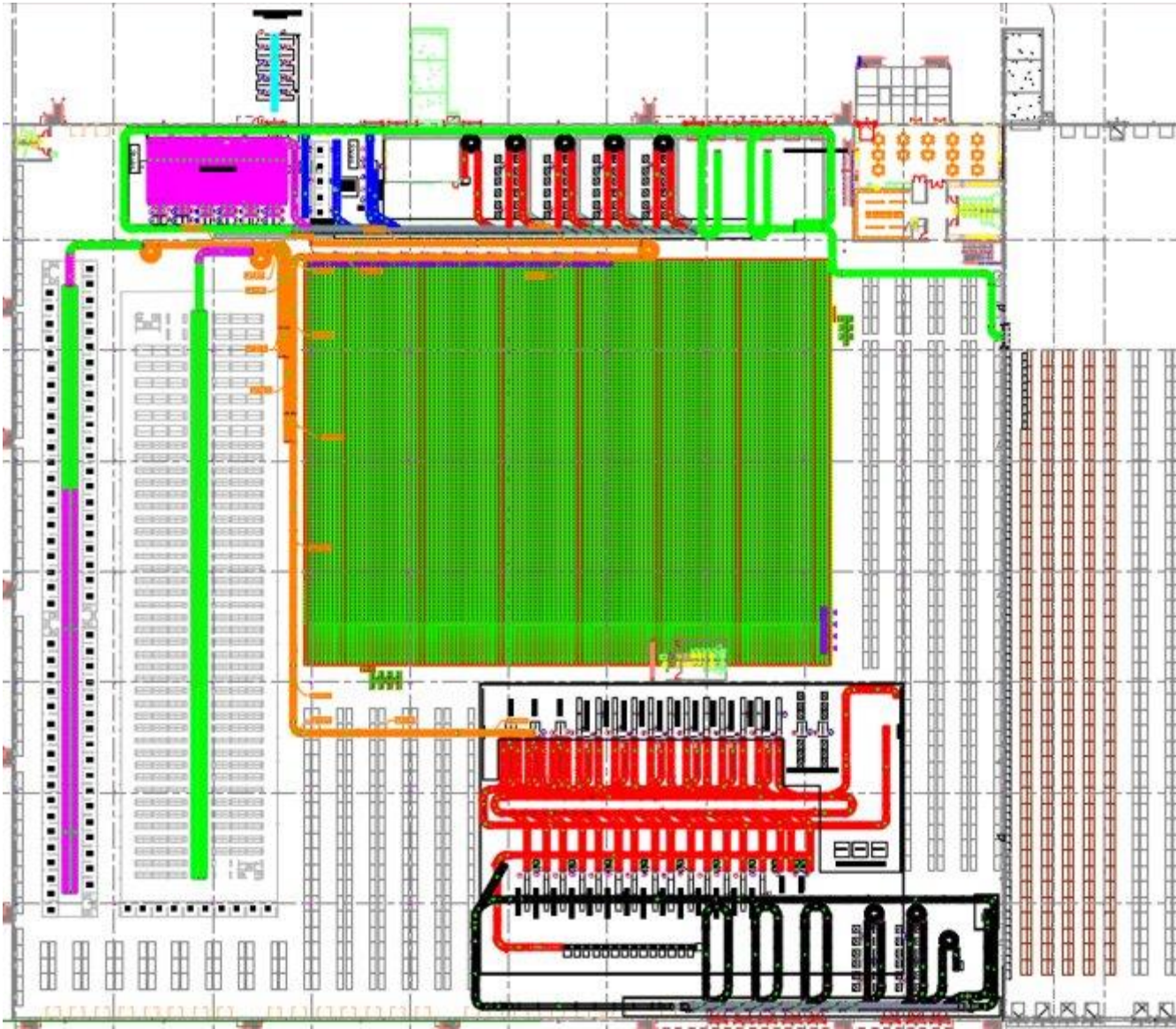




eCommerce

POWERED BY POSSIBILITIES.





eCommerce

POWERED BY POSSIBILITIES.





# AutoStore

POWERED BY POSSIBILITIES.



# Why AutoStore?



POWERED BY POSSIBILITIES.





**Reduce  
Touchpoints**



**Ability to Batch  
From GTP Port**



**High Storage  
Density &  
Throughput**

**POWERED BY POSSIBILITIES.**







A 3D architectural rendering of a large warehouse interior. The layout includes a long rectangular area on the left with a grid of orange-colored blocks, outlined by a thick yellow border. To the right of this is a large rectangular area with a grey floor and many small red cubes. Below these are several green conveyor belt systems with yellow rollers. In the foreground, there are white loading docks with yellow and blue trucks. The background shows a green outdoor area.

# Pick Modules

- 4-level pick module designed to support over 100 pickers simultaneously

POWERED BY POSSIBILITIES.









Outbound Processing

3-4x productivity rate improvements

POWERED BY POSSIBILITIES.





POWERED BY POSSIBILITIES.





Shipping

100+ cartons per min.

POWERED BY POSSIBILITIES.







# Process/timeline for install

Year	2018										2019									
Month	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	
Pre-Contract																				
Contract Signed																				
Engineering and Design																				
Equipment Order and Manufacturing																				
Shipping																				
Installation																				
System Commissioning																				
Integration Testing																				
Go Live and Stocking the System																				
Acceptance																				
Go-Live Support																				



# Results and Key Takeaways



POWERED BY POSSIBILITIES.





**Matt Kuper:** [mkuper@bastiansolutions.com](mailto:mkuper@bastiansolutions.com)

Website: [www.bastiansolutions.com](http://www.bastiansolutions.com)



**Greg Conner:** [gconner@bastiansolutions.com](mailto:gconner@bastiansolutions.com)

Website: [www.bastiansolutions.com](http://www.bastiansolutions.com)

**Visit Us at Booth 7811**

**POWERED BY POSSIBILITIES.**

