

# Tractor Supply Co. Achieves Next-Level Warehouse Labor Visibility with CognitOps

## About

Tractor Supply Company is a Fortune 300 retail leader in the rural lifestyle space.

- 2k+ stores across the U.S. and e-commerce channel
- 10 D.C.s, 200k units/day, 70 outbound associates/shift
- Manhattan Associates WMS and LMS

## Challenge

- Bridge the gap between LMS and actual performance
- Deliver prescriptive and predictive labor analytics

Tractor Supply Company operates 2,254 stores across 49 U.S. states. The retailer's 10 big box distribution centers, ranging in size from 600,000 square feet to 1.2 million at the company's newest, serve the stores as well as e-commerce customers. The network also includes distribution centers run by 3PLs and TSC as well as International Transload Centers. Each center manages anywhere from 300 to 700 team members, depending on the time of the year.

## Challenge

The company's distribution engineering team, headed by Director Matt Eskridge, works closely with DC operations and is responsible for the technology that helps operations run more smoothly within the warehouse walls. This includes inventory control, labor management, engineered standards, performance incentives, analytics, process engineering, facility design, and automation.

Over the last couple of years, the engineering standards program had reached a maturity level that the team was extremely proud of. However, while the Manhattan LMS provided foundational visibility and data, another level remained to be achieved. Something was missing between the insights provided by engineered standards and the ability to make decisions in near real-time on the warehouse floor.

"Tableau, PowerBI, all these business intelligence tools are great, but we wanted to see if we could take that next step into being more prescriptive and predictive about some of our labor demands within the distribution centers," Eskridge explains.

## Solution

- Implement cloud-based CognitOps Align Picking module at largest, most complex distribution center.
- Add Inventory and Shipping modules.
- Expand to 10 warehouse network.

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The engineering team went through a very exhaustive RFP process, engaging with multiple firms. They found many were primarily software engineering companies with no real expertise in the warehouse optimization space – they were founded by engineers who build and sell software. Another option the team considered was building a solution internally, but ultimately decided to pursue CognitOps.

“Through that process, we found that CognitOps would be a true partner across multiple dimensions,” explained Eskridge. “The company is built around co-founders Alex Ramirez and Reas Macken's deep experience and background in warehouse solutions, so we knew they would not just sell us software and disappear. They really understand what we're trying to achieve here – down to measuring productive units per hour, lines per hour, grabs per hour, all of those metrics that help us get granular to improve our performance measurement. Their accountability, partnership, and vision just stood out.”

Another difference was CognitOps’ focus on ensuring the implementation was successful beyond the software and technical components. “CognitOps’ change management team supplied support to ensure that we were successful in working with teams on implementations across our entire distribution network,” Eskridge said. “That was a key differentiator for me. We saw that in the beginning, and we've seen that throughout the entire process.”

The retailer decided to start with the CognitOps Align Picking module at its distribution center in Frankfort, NY. This warehouse handles the retailer’s greatest volume of e-commerce sales in combination with retail store fulfillment. TSC then added the Align Inventory and Shipping modules and expanded CognitOps across its full ten-warehouse network.

## Results

- First warehouse in 2 months, additional warehouses in 2-3 weeks.
- Real-time, comprehensive and predictive visibility into labor performance.
- Improved cross-functional communication based on real data.

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Implementing the Picking module at the first warehouse took only about two months due to CognitOps' SaaS solution and streamlined data connections. After that, the inventory and shipping modules were activated in weeks. Picking was then extended to the nine other sites with about a two-to-three-week turnaround for each pair of sites. The implementation timeline continued to shrink because CognitOps could leverage its work on WMS connectivity and query creation from previous sites, modifying it slightly for the new sites.

In the three years since implementing the CognitOps Align platform, the Tractor Supply team has come to rely on the real-time and comprehensive visibility the solution delivers.

“We’ve definitely seen a great increase in our labor visibility in the distribution centers. Our teams are using this at every level of the operation to help guide how they manage the business,” Eskridge said. “Being able to pull it up and have all that information right in front of you to know how many people should or should not be in a specific area is so powerful. Seeing the state of the building without even having to ask for it – the impact of that is enormous.”

The TSC team has found CognitOps' prescriptive recommendations for when and where to assign team members supremely helpful in labor management and optimization. Previously, the team did a lot of that work with shared Excel tools across the building.

“Now we have an enterprise application that gathers all the disparate data into one place where our operations leaders can see what's happening on the floor, but also visualize what is predicted to happen next,” Eskridge explained. The operations team can make quick, timely, and confident decisions to move people from different areas, or schedule up or down for different shifts as needed – based on real-time performance data and forecasts.

This visibility and accountability also help fill the gap between the LMS reporting and the actual day-to-day performance on the warehouse floor. The team is expanding access to the insight CognitOps provides to executive leadership, partner groups like finance, planning, and team members across the distribution network, so there's a shared data foundation for long-term strategic discussions and decisions around theoretical rates and facility planning.

“Those insights are invaluable. We’re very happy with the progress that we've made so far with CognitOps,” Eskridge said. “It’s been a huge differentiator for us.”