PROGLOVE | CUSTOMER STORY



Gap Inc.

Gap Inc.'s distribution centers process more than 100 million parcels every year. ProGlove wireless wearable scanners help de-stress and speed up order fulfillment workflows for associates committed to meeting the delivery requirements of retail stores and millions of Gap Inc. customers.

PROGLOVE AT GAP INC. FOR FAST OMNI-CHANNEL ORDER FULFILLMENT

CHALLENGE

SOLUTION

Operator discomfort and Prodowntime from wired ble scanning devices and Anihigh admin and start-up time for production associates

ProGlove MARK wearable scanners paired with Android devices

RESULT

Elimination of operator fatigue and discomfort and magnified process efficiencies across the operation

Gap Inc. Director of Distribution Engineering Mike Baricevich is responsible for architecting the company's order-fulfillment infrastructure. He has a big job. This past year, Gap Inc. distribution centers managed some 400,000 store deliveries, and they shipped more than 100 million parcels in 2020.¹ With much of that volume concentrated in a three-month peak season that runs from October to December, the stress on production systems and people can be intense. "We simply can't afford downtime and inefficiencies that could negatively impact delivery schedules," Baricevich says. Baricevich and his team confront challenges with characteristic Gap Inc. passion and innovation. Citing their recent experience with Pro-Glove technology, he explains. "We critically rely on our warehouse management and execution systems (WMS/WES) to be able to scale to meet customer demand.

"Our engineering team first saw ProGlove scanners at a tradeshow. Impressed with the company's innovation in wireless wearable technology, our team closely followed the product evolution."

"In 2020, we made the decision to evaluate ProGlove technology at the Gap Inc. facility in Gallatin, Tennessee. Taking our customary test-andlearn approach, we found the scanners to be easy to use and integrate into our workflows. Most importantly, the lightweight, wireless glove scanners eliminated operator discomfort and gave them faster and more reliable connectivity. Today we have standardized on ProGlove across all Gap Inc. campuses. Advanced automation and technologies like ProGlove help us continue to scale operations so that we can reliably make deliveries to the millions of customers who count on the Gap Inc. team."



"The COVID pandemic and rising demand for online shopping drove a lot of stress on fulfillment. But while we recognized opportunities for automation-enabled improvements and efficiencies, any new-technology introductions had to be seamless—we had no time for excessive downtime or extensive training. In fact, two key measures of the success of our pilot project with ProGlove were ease of adoption and minimization of disruption."

Mike Baricevich, Director of Distribution Engineering Gap Inc.

CHALLENGE

Accelerate Fulfillment to Keep Pace with Digital and Omni Growth

Gap Inc. owns four of the world's most recognized brands: Old Navy, Gap, Banana Republic, and Athleta. Together, these billion-dollar lifestyle brands have helped make Gap Inc. the largest specialty apparel company in America.² Gap Inc. boasts robust omni-channel capabilities that bridge the digital world and physical stores to enhance the shopping experience for millions of global customers. By the end of 2019, Gap Inc.'s investments in its omni platform had already helped the company capture a notable share of e-commerce sales, earning it a number-two ranking in U.S. apparel e-commerce sales.³The 2020 pandemic prompted a rapid pivot to even greater investments in e-commerce fulfillment capabilities.

Distribution capacity directly impacts the company's ability to grow and accommodate increasing e-commerce demand. Historically, distribution facilities were designed to be channel-specific (think: built to serve either retail stores or the online market, but not both at the same time). Automation has been the cornerstone in Gap Inc.'s transformation of its distribution centers to support omni-channel fulfillment. By bringing in advanced automation and technology such as unit sorters, automated storage and retrieval systems, smart piece-picking robots, and auto-baggers, Gap Inc. has been able to achieve unprecedented levels of capacity, responsiveness, and flexibility.⁴

Key goals for the company's investments in distribution center capacity are to be able to: deliver inventory faster and more efficiently to customers across the country; meet rising consumer demand for online shopping; and achieve goals for digital growth.

For Baricevich's team, keeping pace with demand and scale requirements means continually improving the reliability of production systems and squeezing out workflow inefficiencies wherever possible. "The COVID pandemic and rising demand for online shopping drove a lot of stress on fulfillment. But while we recognized opportunities for automation-enabled improvements and efficiencies, any new-technology introductions had to be seamless—we had no time for excessive downtime or extensive training. In fact, two key measures of the success of our pilot project with ProGlove were ease of adoption and minimization of disruption."



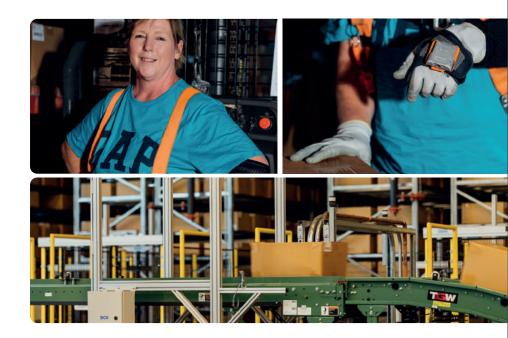
SOLUTION

ProGlove MARK Basic Wearable Scanners with Android App

"When we first met with ProGlove," continues Baricevich, "we were considering deploying the devices in conjunction with a planned technology refresh. The problem was that there was not yet an Android app for the ProGlove scanners. The response from the ProGlove team was to immediately work with us on a solution. We asked and received in about 30 days a pairing application that worked seamlessly with our Android units. This was a very impactful moment in our partnership where we knew we were being heard. With the ability to have open and honest discussions on how to make the product better, we began what has turned out to be a great relationship. ProGlove demonstrates a real desire to co-own opportunities, and as a team we focus on solutions."

Today, Gap Inc. production associates use ProGlove scanners for both retail and e-commerce fulfillment. In retail, associates scan cartons to store and retrieve outside of automated storage and retrieval systems (ASRS) storage. In the packing process, they use the ProGlove wearable scanners to 'close' cartons that are destined for the store. Use cases in online include the same storage/retrieval application, but associates also use the ProGlove devices to pick individual units.

Baricevich adds, "Currently we're operational with some 600 ProGlove scanners in the Gallatin campus. We expect to be operational in two additional campuses by this year's peak season. Standardizing on ProGlove technology, our goal is for all of our campuses to convert to ProGlove technology over the next 18 months, with device rollouts planned in conjunction with facility-specific technology upgrades and refreshes. Taking the test-and-learn approach like we've done with ProGlove's wireless scanner technology allows us to be an industry leader in the automation we pilot."



"ProGlove demonstrates a real desire to co-own opportunities, and as a team we focus on solutions."

Mike Baricevich, Director of Distribution Engineering Gap Inc

RESULT

All Good—For Customers, Employees, and the Gap Inc. Community

Primary goals for the ProGlove project were to migrate to the new Android platforms and to reduce administration and start-up time for associates. "Quick and reliable connectivity is critical," emphasizes Baricevich. "Using scans, we eliminated keystrokes at every start-up to get our people into production without delay. At our scale, saved minutes quickly become hours with a significant return. The elegant simplicity of the ProGlove adds very little complexity to our technology, which in turns aids in reliability for the customer counting on us to deliver. We're in a highly competitive environment and uptime and value-add activities are critical. As we migrated to Android devices, the ability to ditch the wired scanner eliminated the biggest cause of failure and operator discomfort."

Baricevich Highlights The Benefits of ProGlove

- The form factor of the ProGlove scanner eliminates excess motion
- Lighter weight makes the scanners more comfortable for operators to use
- Ergonomics and ease of use reduce fatigue and improve quality
- Intuitive interfaces enable new associates to be productive sooner
- By minimizing focus on the tool, ProGlove scanners allow associates to concentrate more fully on their operational tasks

Two key measures of success of the ProGlove deployment were ease of adoption and minimization of disruption. Baricevich says, "The COVID pandemic and rising demand for online shopping drove a lot of stress on fulfilment—there was no time for excessive downtime or extensive training. Intuitive workflows and ease of use led to quick adoption and return to normal production rates. From a product standpoint, the ergonomics and reduced change management of converting to the product was key. From a partnership perspective, the drive the ProGlove team exhibits to make a good product better differentiates them in the industry. They have consistently shown their willingness to take input from end users in order to test and learn from various perspectives."

Asked about who Gap Inc. strives to serve with its brands and the role of the distribution center network in that process, Baricevich replies, "In a single word, everyone. If you're seeking apparel for you or your family, our family of brands has something for you. Gap Inc.'s brands are designed to be inclusive and available to all. It's part of our core identity. And by making everyone welcome, we build a relationship that delivers great product, value, and service that stands behind the product. Our cross-brand online ordering, for example, lets you seamlessly move across the brands to reduce friction. We back that up with a responsive network that sources product to ensure availability and quick delivery to our customers. "Gap Inc. prides itself on being an innovator. It's been in our DNA since 1969 when Doris and Bob Fisher decided to try something no one else was doing and sell jeans on a wall fixture. In the same spirit, our team recognized early on the inherent innovation of the ProGlove devices, envisioning how we could use them to eliminate problematic handheld and wired scanners. It was the perfect fit."

Baricevich says ProGlove technology benefits both employees and customers. And, as an enabling technology in the scaling of distribution center capacity, helps support the growth that powers Gap Inc.'s mission. "We believe, now more than ever, that our business should be a force for good. From saving water in our operations (more than 11.2 billion liters since 2014) to providing career mentorship and investing in local communities, we're guided by that purpose."



* reference

¹ https://gapinc-prod.azureedge.net/gapmedia/gapcorporatesite/media/images/docs/ gapinc_investor_day_10-22-20-final_2.pdf

² https://www.gapinc.com/en-us/articles/2021/05/gap-inc-reports-first-quarter-results

³ The NPD Group / Consumer Tracking Service / U.S. Dollar Share, all apparel, excluding accessories, 12 Months Ending December 2019. Based on an aggregated parent company view of brand level NPD data for Gap Inc. (Old Navy, Gap, Banana Republic and Athleta) and all other apparel brands

https://gapinc-prod.azureedge.net/gapmedia/gapcorporatesite/media/images/docs/ gapinc_investor_day_10-22-20-final_2.pdf

⁴https://www.gapinc.com/en-us/articles/2020/06/amidst-pandemic,-gap-inc-launchesworld-class-dist

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