Kirkland's Maximizes Efficiency in High-Volume, Flow-Through Operations With Integrated Supply Chain Solutions From HighJump Software

Home Decor Products Retailer Increases Throughput, Accuracy and Reduces Unit Costs, Cycle Times

HighJump Software, a 3M company, the global leader in providing highly adaptable, best-of-breed supply chain execution solutions, today announced that Kirkland's, a leading specialty retailer of home decor products, has generated measurable efficiency improvements in throughput, accuracy, unit costs and cycle times following the implementation of its HighJump system. Kirkland's implemented several components of HighJump's Supply Chain Advantage suite, including solutions for warehouse management, yard management and management visibility. The company now leverages HighJump's solutions to manage distribution for more than 320 Kirkland's stores nationwide from its Jackson, Tenn.-based headquarters.

Kirkland's operates complex, high-volume operations on a flow-through model to route inbound shipments rapidly to stores. The company relies on the HighJump solutions' quick, cost-effective configuration capabilities to accommodate unexpected changes that result from Kirkland's ever-transitioning product line. New products arrive daily at Kirkland's, and 60 percent to 70 percent of SKUs in inventory are new at any point in time. Kirkland's streamlines inbound and outbound operations for these SKUs with HighJump's yard management solution. The company has increased control and security over inventory and trucks in the yard through improved trailer check-in and check-out, verified yard passes, and appointment scheduling.

During the fourth quarter of 2004, Kirkland's attained the initial goals it had established for implementing the HighJump solutions. The company reduced unit costs 14 percent, increased throughput 40 percent and decreased cycle time 67 percent. Outbound shipment accuracy rose from 97 percent to 99.7 percent. In addition, with the increased reliability of inventory management using the HighJump system, Kirkland's reduced inventory levels in its stores. Prior to system implementation, each store had an offsite warehouse to act as a buffer for irregular shipments. Kirkland's has now eliminated more than 90 percent of its offsite storage locations through regular, planned shipments.

Kirkland's recently benefited from the visibility and inventory accuracy of its HighJump system during a physical inventory audit required for Sarbanes-Oxley compliance. "This was the best physical inventory I've ever been associated with. The auditors were amazed at the HighJump system's flexibility and functionality," said Todd Weier, vice president of logistics, Kirkland's.

Weier added, "We handled the busy holiday season well and are achieving every goal we set forth. We chose HighJump over competing solutions because of its uniquely flexible architecture and resulting low total cost of ownership. We're a business in a very fast, transitional growth mode. Minor changes in the system can mean a lot of savings for us, and we can now accomplish them easily."

"Kirkland's has always shown remarkable dedication and vision for the long-term direction of its supply chain, and HighJump is pleased to play a part in their success," said Chris Heim, president, HighJump Software. "The ease of configuring the HighJump system will empower Kirkland's to take their supply chain to the next level in ways they did not conceive of at time of purchase. This will help ensure ongoing competitive advantage, fast ROI and low total cost of ownership."

About Kirkland's

Kirkland's Inc. is a leading specialty retailer of home decor in the United States, operating 323 stores in 34 states. Kirkland's was co-founded in 1966 by current Chairman Emeritus Carl Kirkland. The company opened its first store in Jackson, Tenn., and has grown steadily thereafter. Kirkland's stores present a broad selection of distinctive merchandise, including framed art, mirrors, candles, lamps, picture frames, accent rugs, garden accessories and artificial floral products. Stores also offer an extensive assortment of holiday merchandise, as well as items carried throughout the year suitable for giving as gifts.

About HighJump Software, a 3M Company

HighJump Software, a 3M company, is the global leader in providing highly adaptable, best-of-breed supply chain execution solutions that streamline manufacturing and distribution from the point of source through consumption. HighJump's tightly integrated solutions empower operational excellence in the warehouse and optimize the flow of inventory throughout the supply chain by facilitating collaboration with customers, suppliers and trading partners. These comprehensive solutions combine robust, standard functionality; a best practices-based implementation methodology; and a uniquely adaptable architecture that facilitates fast, cost-effective system modifications. The result: the industry's lowest total cost of ownership for more than 700 satisfied customers worldwide. As an independent subsidiary in the 3M family of companies, HighJump leads the SCE software industry in financial strength and delivers on an unmatched commitment to innovation and quality. HighJump leverages these advantages to continually expand its solution footprint and empower operational excellence for domestic and multinational customers. For more information about HighJump, visit [www.highjump.com.](www.highjump.com)

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