



Automation of Stock Control



Client Issue

A major high street retailer conducted a strategic review of its supply chain in order to deliver to the projected long term business growth. The result of the review led to the initiation of a supply chain program and funds of £130+ million were allocated. Within this program it was recommended that a new central distribution warehouse be implemented to service the 550+ stores across the UK and Ireland.

Our Response

From a Nemea perspective this was two projects within a huge supply chain programme. We managed the IT delivery within the main part of the Warehouse Management Systems build and integrated it to the automated machinery. This served the functions of Stock intake from supplier deliveries, automatic and manual palletising of products, followed by storing in both automated pallet racking and automated tote storage. On the dispatch side, all the picking was conducted using automatic retrieval of totes combined with manual picking into dispatch totes and then automated tote consolidation for dispatching to stores. This was a massive project by any standard and involved a great deal of process engineering as an automated warehouse was a brand new concept for this client. Existing warehouse processes in manually operated sites therefore could not be copied in the new site.

Nemea also managed the setting up of Reverse Flow. This project included the receipt, storage and disposal of goods returned from stores (good stock and damaged stock) and this too was integrated into the new warehouse. This required completely new processes in order to work with the new automated Warehouse Management System. Process design and implementation also covered new store processes to ensure products were correctly prepared for dispatch from stores. Associated system developments were also made to Warehouse Management Systems, Stores systems (Epos) including significant development of stock movement and audit functions to the central stock accounting systems.

These projects represented a £30 million investment.

Benefits

Nemea delivered both projects to meet the original business benefits case, in particular the reverse flow project which came in significantly under budget. The new warehouse proved that large scale automation can be very successful provided that strong leadership and management is applied from board level downwards.