

ARE YOU ZEROED IN?

Retailing's changing face demands more agility from WMS



Managing zero inventory may sound like an oxymoron but it is a concept that is wreaking havoc among bricks and mortar retail selling and so any warehouse that neglects efficient inventory management faces "interesting times" as the old Chinese curse goes. In a zero inventory model, stock is pushed back up the supply chain by the retailer who does not want the risk or cost of holding inventory. That retailer could be just a one-man and his laptop working from home using his/her own impressive website who channels orders from the public to the manufacturer, who in turn delivers them directly to the consumer, bypassing conventional distribution set-ups, except, possibly, the depots of the distributors.

There is, therefore, a need for the manufacturer to become directly involved with B2C orders. That means taking on responsibilities they never had before, like serial number capture to record goods distribution, warranty claims and packaging. Such changes emphasise the need for agile WMS capabilities with connectivity to best-of-breed stock forecasting programs and ERP software.

Owing to the ever-more stringent delivery demands from consumers order picking speeds and accuracy are critical and may therefore require investment in pick-to-light or voice-picking systems, and the time issue does not end there. Much time, for example, is still wasted at goods-in and despatch because either the right kind of

flexible forklifts are not being used or they are not equipped with on-board scanning devices so that they can go directly from the lorry to the designated racking aisle pallet location, and vice versa, avoiding delays caused by a two-truck type arrangement of, say, counterbalance and reach or VNA trucks, something articulated trucks are eminently suited for.

Choosing a slick WMS, however, is not a quick and easy solution, which could take months and so one may wish to go down the consultancy route. Key initial points to consider include: 1) The current handling cost that the warehouse incurs as a percentage of the total cost of sales, 2) The on-time and in-full ratio that the operation routinely achieves and at peak operating volumes, 3) The

pick accuracy rate which warehouse staff are able to average, 4) How many despatch failures are there and how much does it cost to rectify the failures, 5) The number of customer complaints. With such information a WMS supplier/partner, who should be more than just a software supplier, like offering services to redesign and optimise warehouse processes, should be able to estimate resourcing costs and show where and how much one can improve the KPIs. The initial resource set-up costs can be high, but this can be lessened if one chooses to adopt a cloud-based solution.

Achieving a zero inventory goal for a manufacturer is, of course, a chimera, particularly if stocking goods from the Far East, but great

moves towards it are available, especially if the best stock-forecasting programs are in place, which typically can cut total stocks by one third without harming customer service. It is also important to foster good relationships with logistics providers, including even courier companies. Some increases in just-in-case stock may be necessary when sourcing products from Asia, but also to cope with sudden demand spikes from irritants like manic Fridays and cyber Mondays product promotions.

C. Smith

CHARLES SMITH
Feature Writer

Indigo & DDS Logistics collaborate to boost Chinese e-commerce at CILF 2016



Indigo Software, a leading warehouse management software (WMS) specialist and DDS Logistics, a leading transport management software (TMS) provider have joined forces to help Chinese companies looking to benefit from the country's US \$700 billion e-commerce opportunity to get a head start by exhibiting their advanced technology solutions for manufacturers and transport and logistics service providers at CILF 2016, the China (Shenzhen) International Logistics & Transport Fair 2016, that took place in Shenzhen this month.

This is the first time Indigo Software and DDS Logistics have collaborated at an international trade event and marks the start of a commercial partnership to collectively support companies across Asia who are looking to automate and streamline warehouse and logistics operations to meet the demands of e-commerce.

Rapid growth of e-commerce platforms such as JD.com and Alibaba have created a huge commercial opportunity for China and other Asian economies. As a result of the e-commerce boom, manufacturers and logistics service providers must consider carefully how they can make their warehouses and transportation services more efficient, improving accuracy, lead times, traceability and throughput levels whilst at the same time, reducing costs. This is challenging to achieve without the use of dedicated warehouse management and transport management software, both of which

will ensure that in addition to improving productivity, a better return on investment from existing resources can be achieved.

With over 15 customers in the region, including Bunzl and Wesfarmers, UK headquartered Indigo Software established its Asia Pacific operation in Hong Kong in June 2016. Indigo provides warehouse management software solutions to customers either on premise or in the Cloud.

Headquartered in France, DDS Logistics specialises in international trade and transportation software, with customers including international buyers, shippers, forwarders, carriers and 3PL companies. From its office in Hong Kong, which opened in 2008, DDS Logistics provides implementation and support services to international and local customers in Asia such as AS Watson and Carrefour.

"CILF is the primary trade event for the logistics and transport sector and have seen very high levels of interest in both Indigo WMS and the DDS TMS solutions from Chinese businesses who are keen to partner with best of breed technology companies from Europe. We are optimistic about the excellent commercial opportunities ahead," says Mike Hill, Managing Director at Indigo Software AsiaPac.

INDIGO SOFTWARE

www.indigo.co.uk
DDS Logistics
www.ddslogistics.hk

The adidas Group automates with KNAPP

KNAPP AG has won a major order to automate the new Campus North distribution centre of the adidas Group in Germany, which supports the company's European e-commerce business.

The adidas Group, international player in sportswear manufacturing with the brands adidas and Reebok, has commissioned KNAPP to automate its new e-commerce centre in Rieste, near Osnabrück in northwest Germany. With the provision of a new, high-performance all-in-shuttle solution, KNAPP will support the adidas Group in handling the flow of e-commerce goods, enabling strong growth in the business and making it possible for the organisation to react flexibly to the changing demands in the sportswear sector.

With more than 55,000 employees in over 160 countries, the adidas Group produces a wide range of articles each year. In peak periods, more than 350,000 products a day leave the group's largest distribution centre worldwide. The expansion of the facility with KNAPP's automation



The adidas store in Beijing - ©adidas.

solution will allow the constantly growing volume of e-commerce orders to be handled effectively. Alongside managing the large quantities of outgoing deliveries and the constantly changing assortment, the adidas Group has a strong focus on customer service. Fast transit times and high levels of flexibility were therefore crucial in the choice of system.

The e-commerce solution being delivered by KNAPP,

particularly its OSR Shuttle™ technology, fits the bill precisely for these requirements. Thanks to the design of the Pick-it-Easy Shop workstations, order picking is carried out ergonomically according to the goods-to-person principle in an intuitive, error-free workflow. The warehouse logistics software, KiSoft, guarantees efficient processing for every article in the online shop.

Start-up of the new system is planned for 2018. Gerald Hofer, CEO of KNAPP AG, is delighted about the new order: "This project is a prime example of our philosophy of making complexity simple. The flexible OSR Shuttle™ solution provides access at all times to all articles and gives the adidas Group the independence needed for future business development. The entire solution is modularly constructed and can be easily expanded. We look forward to the collaboration with the adidas Group and the successful realization of this all-in-shuttle project."



With the OSR Shuttle™, every article in storage is ready for picking - ©KNAPP.

KNAPP UK LTD

www.knapp.com