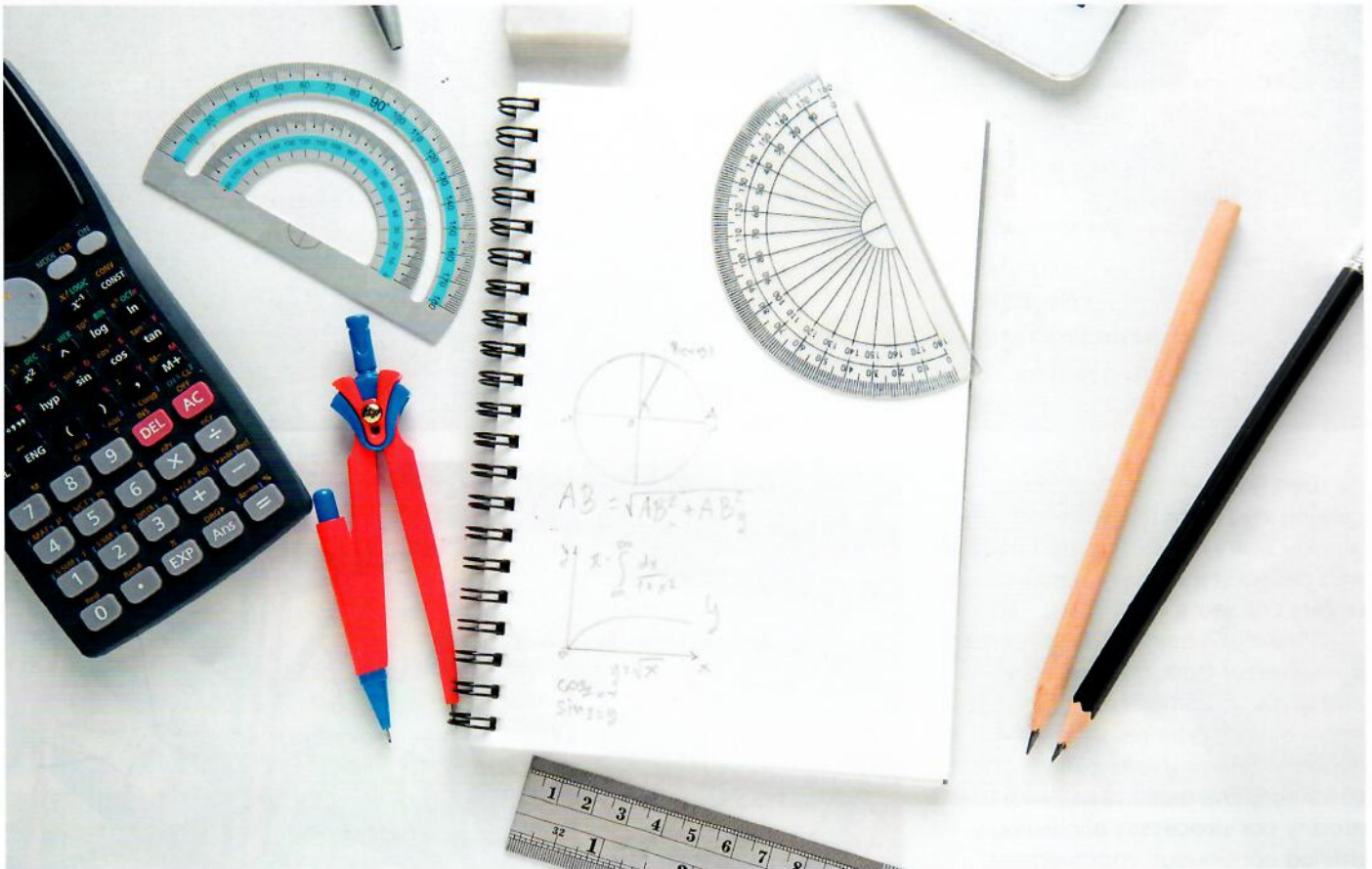


Profit centre

A new WMS has given management at ESPO the ability to introduce process workflows and gain immediate visibility of all warehouse operations in real time



Jointly owned by six member authorities, ESPO generates £45million in revenues each year. As a professional buying organisation for its owner customers, who include Leicestershire County Council, Lincolnshire County Council, Cambridgeshire County Council, Norfolk County Council, Warwickshire County Council, and Peterborough City Council, the company is committed to getting value for money.

ESPO achieves this by pursuing best practice in the sourcing and procurement of thousands of specialist and everyday products needed by educational establishments and other Public Sector organisations. Against

an economic backdrop of currency fluctuations and reducing budgets, one of ESPO's biggest challenges is maintaining efficiency and price competitiveness. Ongoing investment in business technology is a vital part of overcoming these issues.

ESPO's product range includes everything from pencil sharpeners and exercise books, to chemistry equipment, goal posts and cleaning products. This diversity requires a large warehouse roughly the size of 4 football pitches, in which over 11,000 different stock items are stored, 20% of which are fast moving lines that comprise the bulk of sales. Throughput typically averages 11,000 orders processed per day, reaching 18,000

during July peak periods. Although ESPO's six member authorities are located in central and eastern England, the company also supplies to other parts of the UK, using its own transportation network where economically viable.

As part of an initiative to improve efficiency and competitiveness, ESPO implemented Indigo's WMS solution, which was integrated with the Infor Aurora ERP solution. In addition, ESPO had ambitious nationwide expansion plans and would not have been able to embark on its company growth programme and increase the volumes of orders being processed, without the support of warehouse management software.

Using Indigo in the warehouse gave management the ability to introduce process workflows and gain immediate visibility of all warehouse operations in real time. Prior to this, the company's warehouse operations were entirely paper based and all transactions were confirmed after they had happened. Originally as a paper based warehouse, each order was assigned to an individual picker, who would be responsible for picking and planning every article before dispatch. This process was inefficient because orders were labour intensive and time consuming to fulfill.

"We have invested heavily in Indigo and seen clear returns from the outset. Despite increased competition and challenging trading conditions, ESPO's business has grown. We could never have achieved the profitability and performance levels we're seeing today using our old paper systems without significantly increasing headcount," says Dave Pearson, Warehouse IT Systems Analyst at ESPO.

"We carry a lot of stock items and wanted to improve warehouse efficiency by replacing what was an outdated and error prone paper based system with real-time transaction processing," says Dave Pearson, Warehouse IT Systems Analyst at ESPO. "Indigo has provided us with a way to future proof the business and ensure that we can scale operations as our customer base expands."

The arrival of Indigo's software has enabled goods in, putaway, picking and dispatching processes to be managed and reported in real-time, significantly improving efficiency levels. "Picking has seen the biggest improvements to date, with pickers now routinely achieving 30 lines per hour," adds Dave Pearson.

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After implementing Indigo, multi-order picking could be introduced, which has transformed efficiency and accuracy in fast moving areas, particularly because orders coming in from any channel can be routed in real time to the best pickers available and then packed and shipped more quickly.

Now, pickers are automatically assigned goods to pick according to their immediate proximity to the items' stock location in the warehouse. Totes containing the ordered items are then brought to a central consolidation area comprising 180 locations, with capacity for 6 totes per location, where packers assemble orders into finished parcels for onwards dispatch. Further streamlining efficiency, Indigo ensures that picked orders are packed in a pre-specified sequence before onwards delivery by ESPO's transportation division.

By introducing Indigo, we have been able to increase order throughput by 50%, as a result of being able to more efficiently route orders to pickers and then better control the pack and dispatch sequencing," says Dave Pearson. These metrics are consistently achieved during peak periods when ESPO relies on additional agency staff to boost its core warehouse team numbers.

"Indigo's user interface is very intuitive and whereas it used to take us a week to train new workers to perform basic warehouse processes, they can now learn everything they need to know in a day. The system prompts them at each stage in the process and automatically varies their workloads to prevent boredom," adds Dave Pearson.

Overall, ESPO has been so delighted with the performance improvements they've seen using Indigo's WMS, that the company has just completed an upgrade to the latest version. This investment provides a foundation from which ESPO can introduce warehouse automation, with goods to person picking methods in certain areas of the warehouse. Technologically, this will involve integrating Indigo WMS with new conveyor driven systems, packaging machinery and voice directed picking, to further enhance efficiency.

"Overall, I would say that Indigo are great to work with and they really are our one-stop shop for all things warehouse technology related, from hardware and software to wireless infrastructure. Their supply chain consultants understand our challenges and the real-world experience they bring to improving warehouse operations adds a lot of value to our business. Nothing ever stands still at Indigo and we like that." ■