

Glen Dimplex UK Limited



Glen Dimplex realises significant cost savings with Interactive Warehousing solution from Indigo

After investing £10 million in the construction of a state-of-the-art national distribution centre at a green field site in the West Midlands, Glen Dimplex chose Indigo's industry leading Interactive Warehousing solution to realise significant cost savings in terms of both in-bound and out-bound logistics.

Glen Dimplex UK Ltd is the electrical heating division of the Glen Dimplex group, the global market leader of electric heating and domestic appliances. The group currently employs about 8,500 people and has an annual turnover of 1.3 billion Euro.

Formed from the merger of a number of different divisions, Glen Dimplex UK undertook a full strategic review which resulted in a number of decisions, one of which was a need to modernise its supply chain. This decision was based upon the fact that Glen Dimplex was running a number of disparate warehouses, responsible for receiving, storing and shipping stock. All of the warehouses were running manual picking systems and stock was therefore always 24 hours out of date and prone to human errors with put away and with picking.

Combined, the separate warehouses were managing over 3.5 million units of stock per annum from which over 220,000 picks were made. A large number of the customers had specific pallet size requirements and assembly details and some required labelling to tie in with their specifications.

With manual based systems in place it was proving challenging to keep up with the ever increasing demands from customers for shorter lead times.

As part of its decision to modernise its supply chain, Glen Dimplex decided to invest £10 million in the construction of a state-of-the-art national distribution centre at a green field site in Burnley, in the West Midlands. The new warehouse would enable it to consolidate all of its existing warehouses into one, offering financial savings and operational efficiency increases. The site was chosen due to its location which was close to an existing warehouse which meant that Glen Dimplex had immediate access to the skilled staff it needed to enable the transition with the minimal of downtime.

The Glen Dimplex goal was to create a distribution centre that would be a platform for the future; a distribution centre that would not only meet current customer needs but would ensure it kept meeting them long into the future. Unsure of how best to manage the operation which was larger than anything it had done before, Glen Dimplex considered outsourcing the management to a third party and researched a number of options.



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*Mark Kirk, IT Director & CIO,
Glen Dimplex*

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It was during these investigations that it was decided that the technology was available to help it to develop its own core competencies, enabling it to run its own distribution centre both effectively and efficiently.

As part of the strategic review, Glen Dimplex also undertook a full IT review, which included the requirement to take a step back and review its existing GEAC System21 ERP system that it had been using for many years. Following this review it was decided that GEAC was the best company to partner with to help Glen Dimplex manage its enterprise data moving forward.

Glen Dimplex then decided that it needed to find a warehousing solution that would integrate with System 21 and approached GEAC to find out who it would recommend. GEAC recommended its key warehousing partner, Indigo Software Ltd, as it had extensive experience and understanding of automating the warehousing processes. This introduction was followed by a 12 month planning, analysis and development phase after which a functional specification was developed in conjunction with Indigo, and Glen Dimplex decided to implement Indigo's Interactive Warehousing solution.

"It was clear from the outset that Indigo's many year's of experience with this type of project would be invaluable in ensuring success. Indigo were never afraid to 'tell it like it is' and put as much effort into ensuring that our team was on target as well as their own. That kind of reassurance is invaluable in a project of this scale." commented Mark Kirk, IT Director & CIO for Glen Dimplex.

The Interactive Warehousing solution leverages Indigo's software, which integrates with Intermec rugged data collection hardware, operating over a wireless network to provide real time stock information back to the ERP system. It also includes a new module, created specifically for Glen Dimplex, to support its use of VNA (very narrow aisle) racking for bulk storage and pick faces, which required pick and drop locations. This was due to the dual-handling system that was going to be implemented that used a range of technologically advanced mechanical handling equipment (MHE) to access the VNA.

Once the decision was made to go ahead with the new project it only took three months to implement and went live in January 2004. It is already delivering substantial returns.

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Benefits realised so far include having more accurate information which enables better decisions and improved processes. Additionally, greater internally efficiencies and much better stock accuracy and stock visibility have been seen which is enabling Glen Dimplex to increase its first pick accuracy.

Importantly, Glen Dimplex has managed to maintain the same customer service levels it had been providing despite having to get used to a new improved way of working. Now that the staff are used to the new system it is looking forward to being able to better these with improved picking accuracy and offer even shorter lead times.

Mark Kirk is delighted with the results. "The project was delivered on time and to budget, very few IT projects go like that. It is testament to the Indigo & Glen Dimplex partnership."

Glen Dimplex are looking forward to realising further benefits as they move forward with the new system and have completed their first full year in the new distribution centre.