

NGK Spark Plugs



A Solution that provides the Spark for NGK

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Steve King, Logistics Manager, NGK Spark Plugs (UK) Ltd.

Overview

NGK Spark Plugs (UK) Ltd, located in purpose built premises in Hemel Hempstead, Hertfordshire, wanted to automate its warehouse operations and adhere to technology driven processes to improve accuracy of customer order fulfilment and efficiencies. Indigo’s Interactive Warehousing Software solution provides the ideal solution as: it offers a paper-less work management environment by using hand held terminals or truck mounted Radio Data Terminals for communication and completion of warehouse transactions. It operates as an electronic warehouse manager, controlling and managing tasks and resources in the warehouse for maximum efficiency, accuracy and throughput. It also provides full integration into supply chain execution systems.

Managing Growth

The dramatic growth of NGK Spark Plugs (UK) Ltd represents one of the greatest success stories in the UK automotive market over the past few years. Starting in the 1960’s, initially to serve the motorcycle market, NGK entered the UK automotive market in the early 1970’s.

In 25 years it has advanced from a market share of under 6% to one of over 50% and increasing. NGK has become the brand leader in the UK spark plug market as a result of major successes with vehicle manufacturers world-wide who are increasingly specifying ‘bespoke’ plugs so as to achieve maximum efficiency from their new engines.

Today, NGK’s warehouse in Hemel Hempstead manages a substantial stock holding; over 6 million Spark Plugs and approximately 1500 lines. The ability to have accurate and up to the moment information is of paramount importance to NGK. Steve King, Logistics Manager, NGK, commented: “Order responses are now measured in a fraction of the time that they used to be, which places enormous pressure upon all areas of an organisation’s resources, in particular warehouse personnel, equipment, facilities and operations. We were looking for a way of improving accuracy whilst simultaneously optimising inventory levels and utilisation of warehouse space to ensure goods are at the right place at the right time.”



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Increased Inventory Control

Accuracy is paramount in all warehouse processes; being able to identify the location and quantities of stock with confidence and execute customer demands efficiently and swiftly. To achieve this, organisations must ensure efficient deployment of human and mechanical resources through the automation of task and activity management. This enables resources to be optimised, with the benefit of streamlining processing facilities and improving the accuracy of the picking and replenishment tasks. "For example, without automated warehousing capabilities bottlenecks often occur. Legacy warehouse management procedures and manual intervention can result in errors during inbound processes, put away processes, picking and despatch. When these errors are found, unnecessary time has to be spent solving inconsistencies and managing inventory control. In addition, any mismatch between customer codes, picking note information, account numbers and data entry into the standalone UPS system could result in stock being sent to wrong addresses," says Steve King.

Meeting NGK Requirement

Steve King describes what the company needed from its warehouse management package: "We were already using Indigo's Barcode Assisted RDT Warehousing product and were looking to extend this to full automation of our warehouse operations. Firstly, we wanted a system that would streamline our warehouse operations and ensure we consistently achieved delivery performance targets. Secondly, we needed a system that would guarantee performance and accuracy at the picking face. Thirdly, we needed a system that would

enable us to move away from paper-based pick routines to a total paperless environment. And fourthly, we needed a system that could reduce the amount of manual keying post picking and also provide full integration to the UPS Worldship System."

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"The use of Radio Data Terminals integrated into our warehouse management systems enable faster and more accurate movement of stock and transaction recording. Customer order picking requirements are automatically routed to individual pickers within the warehouse, based on their suitability and availability. From here the movement of goods in the warehouse is verified by the recording of precise location, quantity and stock details. Bar-coded product / pack labels are scanned to confirm the correct item is being picked therefore eradicating stock crossovers at picking – given that most spark plug packaging is identical this was an area we needed to improve on. During final packing and assembly of the cartons there is no need to cross-reference and check items because all the products have already been scanned to ensure conformance. Also, users simply scan the picking ticket which automatically sets up the UPS order information. Once the picking process is completed orders are automatically confirmed and the delivery documentation produced, this eliminates manual transcription

of stock movements, increasing accuracy, speed and throughput, whilst reducing administration and resource costs."

"A real benefit to us is the UPS system integration. Now we can simply scan the picking ticket produced by the system as we open each new order, this automatically populates the UPS application with customer address information and prompts the operator for the number of packages required. Previously we were engaged in recording each and every delivery made during the day on a single PC that was provided by UPS our delivery partner. We were required to manually enter delivery details including the customer account number and the potential to create errors was great. This area of uncertainty has now been completely removed and the potential to send the goods to the wrong customer almost completely eradicated.

Implementation Advantage

Indigo's Interactive Warehousing Solution was implemented following in-depth consultancy work, which included screening the software package and running simulations. It went live over a period of 3 months thanks to the experience brought by Indigo from previous customer implementations. "The Interactive Warehousing product is an extremely flexible solution and as a result, it makes you think about the way your warehouse operation works and the processes that the company has in place. You really need to involve everybody who is affected. Once the preliminary study phase is over, the implementation criteria become clear," says Steve King. "By actively choosing an IT tool of the first order, we are further enhancing our delivery performance capabilities, adding value and impact on the markets we serve."