



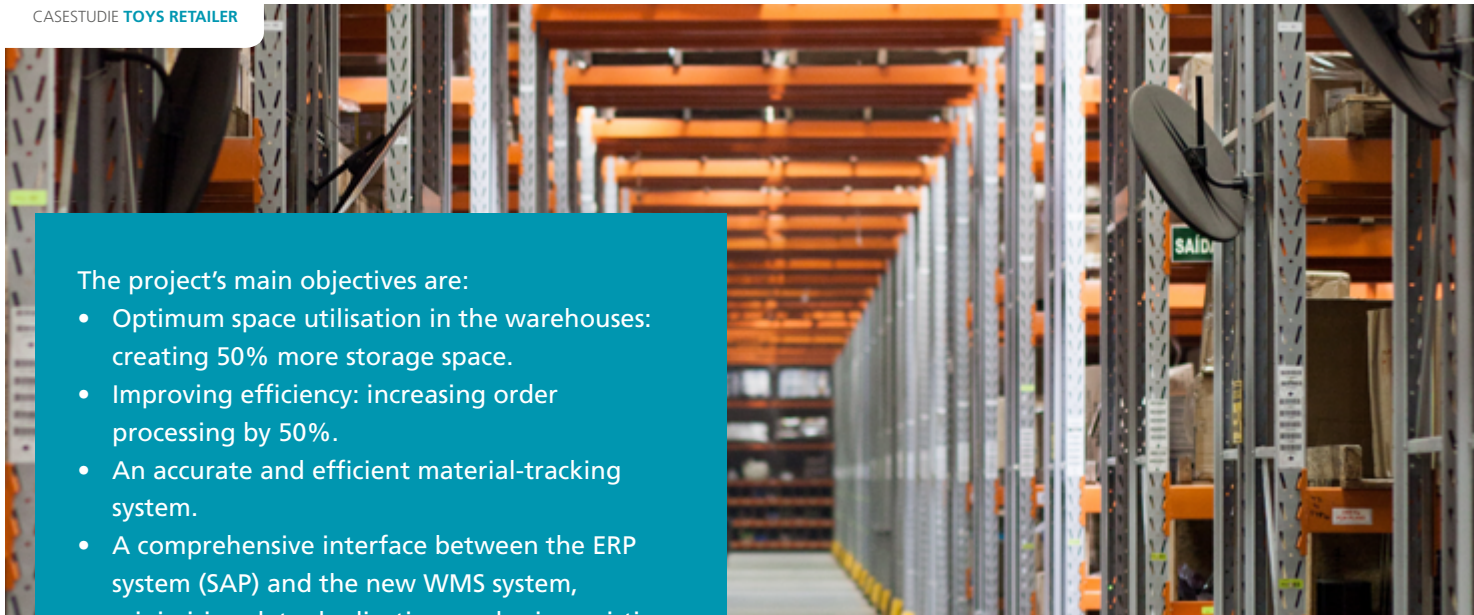
The implementation, integration and adaptation of a logistics solution for the logistics operations of a toys retailer

This giant toys retailer is one of the fastest growing toy retailers with over 110 stores offering the widest range of the latest and greatest products in toys, baby, outdoor and gaming. The toys retailer's ambition is to open ten more stores, expanding its network to a total of 120 stores. In order to realise this expansion, the current logistics processes will need to be updated and optimised.

Optimum efficiency

The company wants to continue stocking its new and existing stores from the two current logistics centres, which will require a 50% capacity expansion at both locations. As part of their activities to achieve their goals, the toys retailer launched a large project with the purpose of maximising space in the current warehouses, using a

double-deep racking system and a conveyor system. Other adjustments include the installation of a sorting system and upgrading to and implementing a newer Warehouse Management System (WMS). These changes are aimed at achieving maximum efficiency in the warehouses in every possible domain.



The project's main objectives are:

- Optimum space utilisation in the warehouses: creating 50% more storage space.
- Improving efficiency: increasing order processing by 50%.
- An accurate and efficient material-tracking system.
- A comprehensive interface between the ERP system (SAP) and the new WMS system, minimising data duplication, and using existing interfaces with existing operating systems.
- Reducing paper consumption in the workplace to a minimum.

The challenge, the solution and the implementation

ICT Group's Transport & Logistics department was responsible for outlining the future logistics processes and the functional requirements for the implementation of a new WMS at the giant toys retailer's two logistics centres. This involved the following frameworks:

- The WMS manages the logistics processes and the automated process for material handling and forms an interface between all processes.
- There needs to be an interface between the WMS solution and the conveyor system, sorting system and the ERP system (SAP).

The main challenge was to provide an end-to-end solution for this giant toys retailer's logistics department, utilising the WMS, and the conveyors and sorting solution of the Material-Handling Equipment (MHE) supplier by means of a smart and seamless integration.

If you have any questions or require further information regarding the possibilities of the implementation, integration, optimisation and/or adaptation of logistics solutions for your company's logistics operations, please contact Hugo Farla at hugo.farla@ict.nl.

The MHE supplier's solution is a mezzanine floor with conveyors, and a pick-to-light system with flow racks. The result is a robust and flexible semi-automated solution, where the WMS and conveyor/sorting functionality are melted together seamlessly.

Satisfied customer

In peak periods, the new system processes over 20,000 orders per day, and could easily process double that amount if the giant toys retailer were to increase production to 40,000 orders a day. The management team is very pleased with the achieved results, and they see it as a business-critical solution, which can be rolled out across Europe.

As part of its activities to expand its business in Europe, the giant toys retailer has acquired 93 stores and 4 online stores. The German logistics processes need to be migrated from an old legacy system to a 'best practice' ERP and WMS solution, which is already in place at multiple logistics operations. ICT Transport & Logistics have again been asked to provide a functional design for rapid deployment, where some of the logistic processes need to be streamlined to make sure that the method of working fits within the boundaries of the standard WMS solution. This presents a new challenge that requires an efficient solution – we can't wait to get started!

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