



Primark

Lutterworth UK

101

CONSULTANCY APPROACH

RAPID RESPONSE

OPTIMISED WORKFORCE

ENHANCED OPERATION



Key Highlights

The SDI Greenstone Solutions for Primark

CONSULTANCY APPROACH

SDI's unique consultancy approach resulted in a solution that facilitated the rapid growth of the customer whilst contending with the new constraints that were imposed following the fire.

RAPID RESPONSE

With time ever more crucial the warehouse was fully operational within just 10 months.

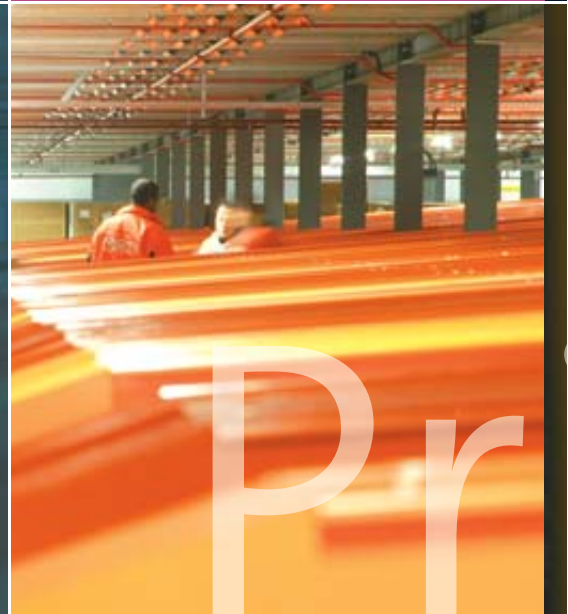
OPTIMISED WORKFORCE

Despite a 500 per cent increase in volumes and a 60 per cent increase in warehouse capacity – there have been no increased staffing requirements.

ENHANCED OPERATION

The solution has increased operational efficiency, performance, visibility and control.

Primark



THE CHALLENGE

Following a period of substantial growth within the UK, Primark was looking for a solution which would facilitate its increase in volumes which were projected to grow by 20% per annum – from 42,000 cartons daily to levels of 100,000 by 2009. In addition to this organic growth, the acquisition of former Littlewoods Stores meant a further 36% increase in volume per annum, taking the projected daily peak up to 200,000 cartons – almost 5 times more than in 2004.

As part of SDI Greenstone's consultancy approach, the company worked closely with Primark and TNT Fashion Group to develop a new materials handling solution that could handle existing volumes, whilst having the flexibility to factor in future projected growth.

However in November 2005, before these plans could be finalised, catastrophe struck with a devastating fire at the Magna Park site that completely destroyed the existing 400,000 sq ft facility. The fire threatened the very existence of the Primark business in the UK, leaving the retailer without a national distribution centre and with its supply chain operation extensively damaged.

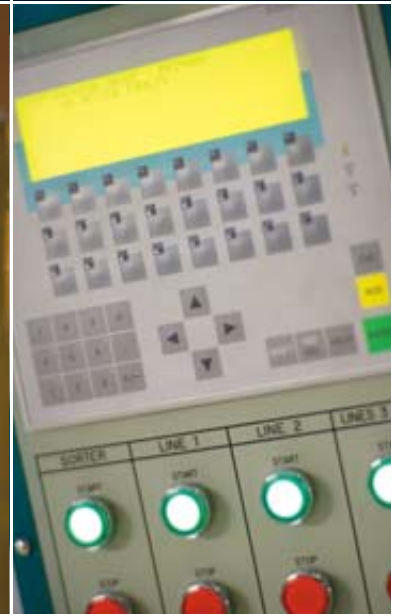
"As a result of the fire, time became an increasingly important driver for this project. However there were more challenges to face along the way – not least a number of additional constraints that were imposed by the Fire Department, the planning authority and the insurers,"

Darcy de Thierry
Managing Director, SDI Greenstone.

THE SOLUTION

SDI Greenstone had to work within the additional constraints laid out by the planning authorities, fire department and insurers which meant modifying and amending the previously agreed solution. Despite this, in less than 10 months, a completely new 650,000 sq ft distribution facility was rebuilt at Magna Park and fully-equipped with an automated materials handling system that will enable the site to efficiently handle the projected sales growth for Primark.

The SDI Greenstone solution has increased pick rates, provided greater accuracy and enhanced the overall productivity. As a result, staffing levels at the distribution centre have remained the same despite a 500 per cent increase in volumes and 60 per cent increase in warehouse capacity.

THE SYSTEM

The original system, with only ten chutes, was based on a Store Pick rather than a multi-order Wave Pick, which offers far more efficiency and requires less labour to achieve equivalent pick rates. Due to the small batch sizes, more visits were necessary with the old system, and as a consequence, the new materials handling solution has the same staff requirements for the much higher levels of volume.

Space was always at a premium in the original building, which meant there was no room to buffer incoming un-allocated stock. This issue has been overcome by using pallet live storage at the ground level of both picking towers. This has eased delivery load planning and now provides a degree of operational flexibility that the earlier solution could not provide.

Elsewhere, a high-capacity Tilt-tray Sorter provides a tenfold increase in the number of drops to enable TNT Fashion Group to dynamically load despatch vehicles. This coupled with a switch to using swap bodied vehicle trains allows vehicles to be loaded faster, reducing turnround times and providing a faster service. This process also improves vehicular access to shopping centres in congested towns.

The solution has also been designed to support the migration to a new Warehouse Management System (WMS) with minimum disruption. A Warehouse Control System offers a data capture solution that will transmit critical information to the WMS, providing track-n-trace capability for all carton stock movements through the distribution centre to achieve greater visibility and control.





“TNT required a material handling partner that could be relied upon for business advice, technical assistance, and general counselling before, during and after installation. The SDI Greenstone solution played a vital role in ensuring Primark’s short term and long term success in the UK”

James Rouse, TNT Fashion Group.

ABOUT PRIMARK

Primark was formed in 1969 and now operates 124 stores in the UK, where it is the 5th largest total clothing retailer and is number two in the value clothing retail market. Key to its success is the provision of high stock turnover which means there is always something new in store, creating an ever changing retail experience. To achieve this, Primark operates a highly flexible supply chain, utilising a strategic combination of UK, European and Off-shore suppliers that can quickly react to meet the dynamic challenges associated with to-days volatile fashion market.

TNT FASHION GROUP

TNT Fashion Group is a leading solutions provider in shared user and dedicated retail distribution, offering its customers a variety of unique transport, warehousing and logistics services. For Primark, TNT Fashion Group operates the retailers National Distribution Centre at its warehouse and office development at Magna Park, Lutterworth. From this facility, TNT Fashion Group provides a complete logistics solution that includes modern warehousing for traditional and new lines, as well as optimised store deliveries utilising its dedicated distribution fleet.

SDI GREENSTONE

SDI Greenstone is part of the SDI Group, a leading specialist in the provision of integrated materials handling solutions for retail, wholesale, fulfilment and e-commerce distribution operations.

The Group’s collective experience and expertise encompasses the entire spectrum of distribution centre operation and infrastructure, from consultation, design and building to installation, maintenance and support. As a global systems integrator, the Group designs solutions which improve productivity and retail sales margin while supporting sales growth.



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