

Winner: Eurodis Electron

Shortlisted:

- All finalists from all categories



Again, eight organisations were nominated by the assessors for consideration in this functional category - BA World Cargo, Eurodis Electron, O2 UK, Basell Polyolefins, Fujitsu Siemens, Jungheinrich, VW Navarra and Swisscom, but in the view of the judges two nominations stood out from the others - Jungheinrich Group and Eurodis Electron.



Lex De Wijn,
General Manager ALC,
Eurodis Electron

Jungheinrich is 'an excellent example of an end to end supply chain handling all activities from supplier management through to the spare parts operation' and it is the service parts operation that was singled out for consideration for this award. The use of lap-top diagnostics, and spare parts ordering over GPRS is both impressive and effective, as is the 24 hour delivery across Europe direct to the engineer's van without the need for the latter to visit a depot. The van stock replenishment process is also automated. (It is worth noting that this solution was actually developed by Jungheinrich and sold to another parcel carrier, who were in turn bought out by Lynx). Complementary to this is a highly effective system for collecting and returning broken parts for remanufacturing, and also packaging (across the whole business, 95 per cent of packaging is designed to be reuseable).

Jungheinrich is a classic case of an effective end to end operation, but in the judges' opinion Eurodis Electron shaded them considered purely on distribution and fulfilment.

The assessors' report noted that Eurodis

handles some 50,000 skus within a single automated warehouse from whence replenishment across a large swathe of Europe is available within 24 hours. The pace and scale of the operation, and the speed at which orders are turned around, is described as 'astounding' - in some instances as little as 30 minutes from order receipt to despatch.

The automation, whilst impressive, is also appropriate, and a lot of attention has been given to flexible resourcing to ensure that this expensive asset does not in practice become a bottleneck (as an aside, the flexible use of, especially, human resources, is a common theme running through many of this year's category winners, regardless of the degree of automation they employ). Special procedures for 'rush' orders are well integrated, so that they do not detract from overall performance, and the supporting technology, based around a single ERP system, ensures immediate transparency of warehouse and distribution operations.

The metrics for this operation are truly impressive. Over 95 per cent of goods are available for sale within four hours of receipt; over 98 per cent within an hour of being booked in. 19 out of every 20 orders have a throughput time of less than an hour and a half. Automation has of course been costly, but has paid off - productivity has improved by 140 per cent, with headcount reduced from 250 FTE to 95; operational costs, including transport, have been slashed by 30 per cent. Stock in the system has been halved, and the flexibility both of the automa-

tion systems and the workforce is such that a 50 per cent capacity adjustment can be achieved in 24 hours. The close and integrated relationship with shippers DHL is also noteworthy.

Martin George, vice president operations at Eurodis, says 'Over the past three years we have planned and implemented a revised supply chain strategy together with our partners (DHL/Deutsche Post, Viastore Systems, and Strategix/TIS Software), the showpiece being the advanced logistics centre at Haaksbergen (run by Lex de Wijn), which has doubled logistics productivity, reduced inventory holdings whilst improving availability and significantly improving quality. As a distributor we gain significant competitive edge through the effectiveness of our supply chain, including the extended supply chain linkages with our customers and suppliers. We are proud of what we have achieved, especially in the face of the worst electronic component industry downturn ever'.

In the judges' opinion, this level of integration between a highly automated solution with a single technology backbone, presenting undoubted excellence in terms of rapid response, high accuracy and commitment to customers makes Eurodis a worthy candidate for this award. Jungheinrich also presented these aspects strongly: in the end the decision was based as much as anything on geography - Jungheinrich provide exemplary service from a number of national bases; Eurodis provides equivalent service levels across Europe from just one, and that must be the harder case. (A major case study feature on Eurodis Electron was published in the April issue of Logistics Europe.) ■