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How Homebase Met the Challenges of a Seasonal Business

Homebase is a home improvement retail chain located in the United Kingdom, offering over 38,000 products for the home and garden. It serves more than 300 retail outlets across the United Kingdom and Ireland. While Homebase carries a variety of product year round, including kitchen, bath, furniture, home wares, lighting, floor and tile, decorations, heating and electricity, tools, hardware, and garden items, the challenge was accommodating their growing seasonal product lines, much of which is shipped to them from the Far East.

Situation



Image via [Flickr](#) by Raymond Bryson

Homebase operated a warehouse that supplied their various far strewn retail outlets. The warehouse covered 70,000 square feet and operates 24 hours per day, 7 days per week. In addition to the regular items the warehouse manages, they face about 200 containers per week of seasonal items during certain parts of the year, such as barbecue grills, outdoor toys, garden tools, and air conditioners. The challenge was adapting their labor force and other resources to handle the peak times of business. Homebase chose Unipart Logistics to help them tackle the challenges of their warehouse operations, even though the company had a background in automotive parts supply warehouses, which are seemingly much different from retail warehouse operations.

Approach



Image via [Flickr](#) by umezy12

Unipart Logistics faced the challenges of Homebase's seasonal products by transferring the operations to a larger facility, offering 300,000 square feet. The larger warehouse was better suited for receiving, processing, storing, and picking orders for both their regular year round merchandise. In addition, they imported seasonal products from foreign suppliers, according to Richard Morgan, the director of Homebase's supply chain operations.

In addition to the new, larger facility, they also set up a better system for processing and shipping items to their stores. The slow-moving items were moved to narrow aisle racking, while the faster moving merchandise and seasonal products were moved into a block stack configuration.

Unipart Logistics then established an advanced order picking system, which assembles all of the goods for a particular store order to a section of the warehouse known as Goods Out. From there, the orders are loaded onto vehicles and distributed to the 300 retail outlets across the United Kingdom and Ireland.

Impact



Image via [Flickr](#) by dhlynski

As a result of the new system, Homebase is now able to manage their resources more effectively, particularly when scheduling the labor force needed to keep up with their fluctuating workload of receiving, processing, and shipping out orders. Now, the labor force is able to manage up to 140,000 cases of imported seasonal and regular year round products per week. The new warehouse management system meets the needs of Homebase management and operations, even though Unipart Logistics is more closely associated with warehouse operations in an entirely different industry.

Homebase is now capable of handling the rapid growth of their company, as well as the fluctuating demands associated with merchandise that is only sold during short periods of the year. The new, expanded warehouse facilities are still fully operational 24 hours per day, 7 days per week. The result is a greater availability of their products by the end customers shopping in their retail stores.

How Big Data Will Shape the Supply Chain of Tomorrow

Information management is at the top of the supply chain. Big data, and the innovative algorithms that drive it represent the future of supply chain management and the way companies will interpret bottom-line figures. As new technologies abound, companies are becoming even more creative with the way they analyze and store their data. If you're interested in the way new information management technology can change your supply chain, then read on for the top trends in big data – including those of tomorrow.

Predicting Analytics



Image via [Flickr](#) by gagilas

Analytics have played a huge role in big data and will continue as a key player for the supply chains of tomorrow. Today, predictive analytics are a major way for companies and supply chain managers to leverage big data. Predictive analytics allows companies to interpret historical data to better understand how to improve infrastructure and operations for the future.

According to [Sloan Review](#), when it comes to leveraging predictive analytics there are, "a variety of processes that can be utilized in the three major links in the supply chain: manufacturers, carriers and retailers across forecasting, inventory management, transportation management and human resources." Predicting data within these areas will drastically increase a company's ability to evaluate their supply chains and address procurement and other issues before they occur.

Considering the Cloud



Image via [Flickr](#) by thomasbonte

What's big data without the ability to share it? Over the last few years, "the cloud" has floated its way into the most necessary aspect of big data: storage. Manufacturers and supply chain managers know all too well that when it comes to storage, there's never enough.

Cloud data has the potential to easily reach multiple areas within a company. Supply chain managers and other executives can quickly use data to make bottom-line decisions within a company. Solutions such as [Google's BigQuery](#) now easily merge cloud storage with big data with stunning results, including bulk uploading and real-time recording.

Evaluating the Future of Big Data



Image via [Flickr](#) by Atos International

Perhaps the most important aspect of big data lies in its ability to prepare companies for the future. In looking ahead, supply chain managers must also acknowledge the future of information management. So what's in store for the future of big data? [Big Workflow](#). It's a new method from the company Adaptive Computing that combines workflow management and big data. This new formula allows supply chain managers to get the most out of the data through implementing a simplified workload with less emphasis on scheduling or resource allocation.

While Big Workflow is big news for IT, it also allows supply chain managers the ability to succeed in, "targeting the needs of new and existing customers, detecting fraud or security breaches, optimizing logistics and accounting, and streamlining product development," according to Adaptive Computing.

For supply chain managers, the most effective big data strategy relies on a careful combination of access and interpretation. Companies will come to expect big data to do the major work as with Big Workflow, but supply chain managers will still be responsible for overseeing the challenges these technologies may present as they grow outside of their respective company's infrastructure.

Where do you see big data heading in the next five years? How do you hope to leverage it for your supply chain?

[Case Study] Coop Achieves Automation Goal

TGW has capitalized on a deal prompted by Swiss Coop Group. Swiss Coop Group is looking to significantly reduce their carbon footprint while maximizing profits and they have awarded the task of creating a fully automated system to TGW.



Image via [Swiss Coop Group](#)

TGW has created systems similar to this one for companies such as Wiley, a top publishing distributor in the UK. Wiley was able to maximize their throughput by 400 percent utilizing the system created by the automation company. Sure of TGW's ability to supply adequate machinery to their repertoire of building equipment, Wiley allowed TGW to fit 153,00 units within the 320,000 square foot enclosure.



Image via [Flickr](#) by TheHealthyShoppers

Wiley Director and Vice President stated:

"We chose TGW based on experience and their ability to meet our expectations on time and on budget. The system has inbuilt flexibility to cope with peaks in activity and has the potential to increase annual outbound units from the current 10 million to 30 million."

Given this review from Wiley, it makes sense that Swiss Coop would choose TGW to handle their automation programming. The company's stock house has approximately four different units that they are looking to optimize. A storage unit converts out of one of one of the four. The storage area will only be semi-automated. Since the company is a grocery centric company, the other three compartments include refrigerated items such as meats and dairy products. This compartment will utilize an automated picking system before hauling off the prepackaged and picked stock to repackage on trays and sent to the buffer. Frozen foods will occupy the third region of the plant and will also use TGW technology. The Stingray buffer is the system of choice for the frozen section. Zone four is for the storage and replenishment of old containers and other various emptied stock supplies.

Complete factory automation is an incredible step for business such as Swiss Coop who has a revenue stream of 27.8 billion Swiss francs per year. The company will be able to demonstrate their ecological responsibility by allowing the automation system to take care of the lulls in activity when resources such as lighting, air conditioning, factor tools, or other monitoring systems aren't being utilized to their full potential due to a lack of people residing within the building. Reducing the carbon footprint and allowing complete automation of logistics is a part of developing any company looking to increase their presence as an authority.

While there is some concern about the job production that complete automation inevitably puts a damper on, others have seen a silver lining to the clouds. By instigating the complete automation of a company, those said companies can focus their manpower on development and fine tuning their product and brand instead of wasting the man power on a job that could easily be taken by the machinery. Honing the product can yield a higher customer satisfaction base and will, in turn, increase revenue sales throughout the entire company.

Swiss Coop has found a way to automate their company without removing the need for the human aspect. By allowing their company to run on a semi-automated logistics scale, they have found a way to take ecological responsibility while increasing their revenue streams and optimizing their costs.

Supplier Risks Stand in the Way of Business Expansions

Supply chains are an integral part of any business. They harness what the product is as well as the company's vision while adhering to the demands of the consumers and business partners. There are, however, risks associated with a supply chain, especially if the supply chain is global.

Consequences of Disasters



Image via [Flickr](#) by Thomas Good

In 2012, the [disasters that struck the Far East](#) brought more than broken homes and disastrous consequences to the front pages of papers. It also put a large crimp in a few global automotive supply chains. The companies were unable to produce the parts or continue the engineering of new car products and their counterparts.

Yes, part of the appeal for a supply chain from a global standpoint is the cost of efficient labor and parts. But, if those parts and labor are impacted by a force such as [natural disasters, political uproar, or some other form of unforeseeable disaster](#), the companies seeking the cost efficient methods could lose quite a bit in revenue and partnerships because their productivity has been halted for an indefinite amount of time.

Kaizen as Profit Motivation



Image via [Flickr](#) by openPICUS

There are several companies who are also looking to lower their cost of production while maximizing their profits. Some of these companies have taken a liking to finishing or beginning production at the very last second and have also taken to the method known as "Kaizen" as a means of profit motivation. While looking to capitalize on utilizing global supply chain, some may have found that they are putting themselves further into a hole.

Supply Chains and Global Market Changes



Image via [Flickr](#) by Nick Saltmarsh

Inadequate software and monitoring has also proven problematic for many companies. Some software for analyzing pieces of the supply chain has proven inadequate because of the changes constantly occurring within the supply chains and global markets. For example, [RDC and](#)

