

FOREVER DIRECT BOOSTS EMEA FULFILMENT CAPACITY AND SERVICE LEVELS

with Manhattan Solutions

OPERATIONS

17,000 sq. m. (180,000 sq. ft.) regional distribution centre in Oud Gastel, Netherlands

MANHATTAN SOLUTIONS

Manhattan Associates' Warehouse Management (WMS) and Supply Chain Intelligence (SCI) solutions



CHALLENGE

Centralise logistical processes in the Forever Direct's new regional distribution centre (RDC); supply 93 countries in EMEA with Forever Living Products; process "direct delivery" orders for distributors in 19 countries.

SOLUTION

Manhattan's Warehouse Management (WMS) and Supply Chain Intelligence (SCI) solutions selected to support distribution operations in Forever Direct's new RDC, including fulfilment of orders for 500,000 independent distributors throughout EMEA.

PROGRESS & RESULT

With RDC logistics processes driven by the WMS, Forever Direct has achieved significant improvement in efficiency and has a scalable supply chain platform in place to facilitate future growth. SCI will ultimately monitor and further improve supply chain performance.

"Forever Living Products previously relied on 11 distribution centres to serve the Benelux region, Denmark, Sweden, Norway, Finland, Germany, Austria, Switzerland, Italy, Spain, Portugal, UK, Ireland and France. The new set-up means we have a new, single, distribution centre for Forever Direct EU, supported by the Manhattan WMS, serving the entire EMEA region."

MARTIN ZEGERS, MANAGING DIRECTOR, FOREVER DIRECT EUROPE

NEW EFFICIENCY AND SCALABILITY

at Forever Direct

THE PATH TO CENTRALISED LOGISTICAL PROCESSES

Having a well-controlled, efficient supply chain network is a prerequisite to success for every high-volume consumer goods distribution business. This is certainly true for Forever Direct EU BV, an EMEA importer and distributor of the Aloe Vera based products from its US-based parent company Forever Living Products. Tasked with setting up a centralised logistics point for its EMEA distribution operation, Forever Direct needed to serve around 500,000 independent distributors located in 93 countries from a brand-new, state-of-the-art distribution centre. To ensure a reliable underlying IT infrastructure, the organisation opted for the Warehouse Management (WMS) and Supply Chain Intelligence (SCI) solutions from Manhattan Associates.

The 'Business Park Borchwerf II' in Oud Gastel is one of the largest industrial parks in the North Brabant region of the Netherlands and is ideal for logistics companies and distributors thanks to its strategic location in the Benelux region. Unsurprisingly, the US family firm Forever Living Products, founded in 1978, decided to build at this precise location a brand new regional distribution centre (RDC) to gain even better access to its customers across Europe, the Middle East and Africa (EMEA). This investment was urgently required as the company's original distribution model involved goods being dispatched to distributors either directly from Forever Living Products' US-based factories or from a number of distribution centres situated in the EMEA region. Forever Living Products will now have one centralised distribution facility which will, firstly, supply 93 countries across EMEA with its range of products. The new replenishment process will affect major consignments dispatched to smaller DCs in the relevant countries. Once there, they will be re-packed into smaller consignments for delivery to local distributors. Secondly, the RDC will take care of the order fulfilment process, which affects smaller packages delivered directly to the distributor or end consumer. This adds a further dimension to the complex nature of the various underlying warehouse processes.

DISTRIBUTION

Half of the distribution centre has been set up as an order fulfilment centre which has taken over the function of the local distribution centres in north-west Europe. Orders from thousands of distributors in 19 countries will be handled at this order fulfilment location. Forever Living Products used to carry out this process previously from 11 different distribution centres across Europe. This change means an increase in the number of orders per month at the one site from 5,000 to 55,000. Centralising and revamping the supply



chain were key aspects of a 10-year business transformation plan. One important detail in this was the deployment of a totally new IT infrastructure. In the view of Martin Zegers, managing director of Forever Direct, this was a necessary change. "Our aim is to produce accessible, high-quality products for our customers. We therefore needed a way of ensuring we could meet 100% of the demand and delivery requirements of our distributors. Surveys showed that our supply chain was too complex and was slowing down product and information flows. We were able to address this situation through the adoption of a centralised distribution approach. Having concluded that we needed to switch to a more modern way of executing our operational processes, we decided we also needed state-of-the-art systems to enable us to do this. Ultimately, this turned into a complete systems infrastructure revamp. With future growth definitely in mind, we wanted to have a rock-solid supply chain solutions platform."

QUEST FOR PARTNER

Forever Direct subsequently embarked on a quest to identify a supply chain software partner with which it could establish a long-term relationship. During the selection process, attention was focused not only on the features and functionality of the Warehouse Management System (WMS) solutions presented, but also on the credentials of the WMS suppliers themselves. These included strength of current references, corporate culture, financial health, global footprint and global support capabilities. The decision was finally made to opt for Manhattan Associates and its Supply Chain Commerce solutions. "We are a family company, and for us doing business is based on trust and personal relationships. Integrity, honesty, professionalism and sincerity are core values for our company. The local Manhattan Associates team operates according to the same core values. Its highly scalable, function-rich solutions, which are an almost perfect fit for our specific supply chain requirements, were also a clincher for us.", says Zegers.

IMPLEMENTATION PROCESS

An ambitious implementation roadmap was set out for the deployment of Manhattan's solutions at Forever Direct's new RDC, covering an area of 17,000 sq. m (180,000 sq. ft.) and the programme would last for 10 months. "The aim of the deployment project was not only to cut costs, but was also very much to do with optimising the way staff are deployed, improving our order fulfilment accuracy and offering enhanced service levels to our customers," says Corné Mathijssen, Supply Chain Improvement manager at Forever Direct. "There was also an eye firmly fixed on the future. We sincerely believe that our warehouse processes are only going to grow in complexity. This is why we wanted to have tools that we know will always be evolving and that will enable us to deal with not just today's challenges but tomorrow's also. This last wish was fulfilled with our adoption of Manhattan Associates'

Warehouse Management (WMS) and Supply Chain Intelligence (SCI) solutions.” In addition to this, a Warehouse Control System (WCS), Enterprise Resource Planning (ERP) system for sales and operations planning, and systems for transport management and customs software were also implemented. According to Mathijssen, this all took some getting used to on the shop floor. “Our staff also had to get used to the new software and new ways of working, but the feedback from them was positive. Most of all, the ease of use and extensive management information which the systems provided were greatly appreciated. And this is still very much the case.”

AUTOMATION

About half of the RDC will be dedicated to storage and replenishment, while the other half will focus on order fulfilment. All logistics operations at the RDC will be driven by the WMS. The two primary distribution models—fulfilling bulk orders for the distributor partner DCs within the EMEA region and fulfilling package-based or single orders for all the independent distributors which Forever Direct serves across the EMEA region—are at the heart of these operations. Orders will be routed to loading areas using a variety of techniques and with support from a semi-automated pick by light operation and an automated sorter application. The SCI solution will be used to monitor and further optimise warehouse processes and Forever Direct’s supply chain performance. The WMS also supports some of our production-oriented activities with functionality that allows us to label products and assemble finished products from various components to create kits for each country.



BIG DIFFERENCE

According to Peter van Eijk, operations manager at Forever Direct, there is a big difference compared with the previous situation where order pickers had to perform a number of manual activities. “Manhattan’s products are extremely user-friendly. Our staff definitely knew 90% of what they needed to know about the system within a month. Instead of performing all activities manually, the system now does the thinking for them and our staff use handheld devices. This saves a lot of needless toing and froing and a huge pile of paper. At the same time, it has also given us an extremely high level of accuracy in terms of our inventory levels and ability to fulfil and track orders.”

In terms of other results delivered, Martin Zegers commented, “Our productivity has risen as has our efficiency and the service levels we provide to our customers. When we embarked on the first stage of this optimisation process several years ago, we could never have envisaged that it would all have been such a huge success. Thanks to Manhattan Associates, we can also carry on growing in the future. The success of this project has got us closer to our customers and is a great source of inspiration for our entire team.”