

SWEET SUCCESS AS THORNTONS ROLLS OUT MANHATTAN SUPPLY CHAIN SOLUTIONS

OPERATIONS

Headquarters: Alfreton, Derbyshire

Distribution centre: Alfreton, Derbyshire

MANHATTAN SOLUTIONS

Warehouse Management
for Open Systems



CHALLENGE

To introduce a new warehouse infrastructure while pursuing an aggressive growth plan.

SOLUTION

Manhattan's Warehouse Management running on HP UX, linking into Thornton's Oracle manufacturing system and bespoke ordering system.

PROGRESS & RESULT

Achieved growth of over 11% without additional labour; increased productivity enabling estimated cost savings of £100,000 in one year.

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GREG GARSIDE, HEAD OF DISTRIBUTION STRATEGY & QUALITY, THORNTONS

GREATLY IMPROVED PRODUCTIVITY

at Thorntons

"We have managed to cope with an increase in turnover from £180 million a year to £200 million without any investment in additional staff. At Christmas and Easter we now handle up to 250,000 boxes a week with an additional 30-40 temporary workers. This is the same number of additional staff that we used at peak times when the volume was far lower. So we have grown our volume without the need to increase our manpower."

HIGH QUALITY CONFECTIONER

Thorntons PLC is a UK-based manufacturer, retailer and distributor of high quality confectionery and sweet foods. Established by Joseph William Thornton in 1911, Thorntons today is a £200m+ turnover company with 379 shops and cafés and around 250 franchises together with internet, mail order and commercial services. The company manages its national distribution from a 140,000 sq ft warehouse at Alfreton in Derbyshire, UK.



Thorntons took the decision to upgrade to Manhattan Associates when it became clear that its incumbent warehouse management solution (WMS), along with other hardware and software systems, were becoming obsolete and could no longer support the business as it grew. Rather than re-writing the existing

software, the company made the decision to deploy a new warehouse management solution, setting a tight deadline to complete the implementation and go live.

Thorntons looked at eight warehouse management specialists and narrowed these down to a shortlist of three. Manhattan was selected because, as the market leader, the company had the functionality and future-proofing capabilities to support Thorntons as it grew. Manhattan's implementation team also came across strongly and presented not only the right expertise but the willingness and capability to address problems quickly.

ADAPTING TO A NEW SYSTEM

The implementation was carried out by Manhattan and technology services giant EDS, along with Thorntons' own team. The aim was to have the system up and running in time for the ten weeks leading up to Christmas, during which 40% of Thorntons' annual business traditionally takes place. By the summer, the system was operational, and people were trained to use the new WMS. This presented significant culture change for employees, as the previous system and processes had been in place for around 20 years.

Greg Garside, head of distribution strategy and quality at Thorntons, explained the process. "Manhattan consultants were onsite with us 24-hours a day initially, and stayed with us for 5-6 weeks while the staff came up to speed. Some people were a bit nervous when they found themselves on their own for the first time, but it worked well. Manhattan took a very softly-softly approach to stepping back, so everyone was able to cope."

Thorntons processed its first order using the new warehouse management solution exactly on schedule. "We had been three months away from having an outdated system, yet only six months later we had an industry-leading and fully supported Warehouse Management solution and were starting to see real benefits to the business," said Greg Garside. "We were able to configure the Manhattan solution very easily to plug in to our own requirements for date rotation. The other systems we looked at could not have managed this without manual intervention."

PRODUCTIVITY IMPROVEMENTS MAKE INSTANT IMPRESSION ON THE BOTTOM LINE

Thorntons set a target of £100,000 in cost savings from improved employee performance using the Manhattan solution. This was met during the first year of operation, due to the fact that the company was able to handle a far greater volume of orders than was possible under the old system.

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The system has also brought an unexpected benefit. "The training of temps has become much faster," explained Greg Garside. "Under the old system one of the permanent staff would generally spend a day with a temporary worker in order to explain all the processes to them. Now that menu-driven screens are issuing operational instructions, most of our temps pick it up straight away and have no need to shadow someone, so not only is it faster for the temp but we don't lose any time from the permanent staff either."

PART OF THE FURNITURE

Thorntons is confident that Manhattan will be able to support it as the company continues to grow. Greg Garside now sees it as an integral part of the business. "Perhaps the biggest compliment I can pay Manhattan is that I really don't think about the warehouse management system very much these days. It works very well and we take it for granted because it doesn't cause us any headaches, which you can't say about many large technology implementations. This means that we can focus on growing rapidly while the warehouse management system is there supporting us. It doesn't distract us from the business of being the number one provider of premium chocolate in the market!"