

# Supply chain



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# Time to re-engineer supply chains

From intelligent packaging to robotic warehouses, technology is impacting supply chains as never before. The pipeline is moving into a digital world, reports **Penelope Ody**

THE ADVENT OF OMNICHANNEL and consumer demand for instant gratification have already transformed many retail supply chains. Warehouse systems have had to combine single pick, to fulfil individual customer orders, with the more familiar bulk picking for store replenishment. The trend for ever-shorter lead times – especially in the fashion sector – has also impacted the supply chain, with more near-shoring and a greater emphasis on strategic supplier relationships so that the retailer achieves ‘customer of choice’ status, and thus priority for its orders, with key trading partners.

For many retailers, investment in new supply chain systems to meet the needs of today’s digital marketplace has been key. John Lewis’ £150m investment in its massive Magna Park distribution centre is one of the most significant examples of this trend. As operations director Dino Rocos has said: “We took what has turned out to be a really critical business decision – to create one supply chain that supported customers irrespective of how they shopped with us. It was a very forward-thinking decision for John Lewis and it’s a decision some retailers are still struggling with.”

With consumers expecting products to be available whenever they want to buy them, many in the fashion sector talk of “see now, buy now” or, as boohoo.com

puts it on its website “see it today, wear it tomorrow” – with styles available to buy as soon as they are seen on the catwalk or worn by a celebrity. The result has been a ‘test and scale’ approach to product development, with perhaps an initial consignment of a new line sourced from the Far East but with near- or on-shore suppliers – in Turkey, Romania or even the UK – available to produce replenishments if the style proves to be a winner. As Nick Blunden, chief commercial officer at The Business of Fashion, said at the Millennial 20:20 conference in London earlier this year: “If your customers demand instant gratification, then it requires a re-engineering of the supply chain to get products to market quicker.”

As well as instant gratification, millennials are also enthusiasts for sustainability, putting this issue to the forefront of supply chain planning. Not only must products be seen to come from sustainable sources, but the supply chain must also be environmentally friendly. Marks and Spencer’s ‘Plan A’ strategy is now a decade old but its environmentally friendly trucks could soon be followed by the platoons of driverless trucks that the Department for Transport declares could “slash fuel costs and congestion” as well as reduce carbon emissions due to their lower fuel consumption.



## Ten issues to consider

### 1 PREPARE FOR BREXIT

While it may ultimately enhance global sourcing opportunities, reducing supply chain risk in the event of a “cliff edge Brexit” has to be a business priority.

### 2 SEGMENT SUPPLIERS

Understand who your strategic partners are in order to build relationships and achieve preferred customer status.

### 3 EXPLORE NEW TECHNOLOGIES

Labels are moving beyond 2D barcodes to deliver unique digital identity, augmented reality, product information, traceability and enhanced customer engagement. How intelligent is your packaging?

### 4 UPDATE SYSTEMS

Single and bulk picking from the same warehouse and inventory is essential in an omnichannel world. Separate stock management for online and in-store can only ever be a short-term solution.

### 5 PREPARE FOR PEAK

Some analysts suggest that Amazon uses Prime Day to test systems in readiness for Black Friday and ensure that it can meet customer expectations. Have you tested your capabilities?

### 6 ARE YOUR SUPPLIERS SQUEAKY CLEAN?

The Modern Slavery Act requires retailers to maintain supply chains that are free of human trafficking. Failure to do so has caused embarrassment to several retailers.

### 7 THINK GREEN

Many younger consumers care deeply about the environment and it influences their buying decisions. Make sustainable sourcing and an ethical approach apparent.

### 8 INTEGRATE THE STORE

Click-and-collect is almost universal but fulfilment from store is not. Real-time inventory and good in-store processes can deliver cost-cutting benefits.

### 9 REMEMBER THE LAST MILE

It's the most cost-intensive part of the supply chain and increasingly eats into margins. Consider smart lockers, partnering with a high street brand or what some forecasters term an ‘Uber-style’ last mile freight service.

### 10 DON'T FORGET THE METRICS

Stockturn, total cost to serve, product profitability, customer service levels and cash-to-cash cycle are all traditional retail measures of supply chain success which may have slipped off the radar during the online boom. Do you have these vital numbers at your fingertips?

For the future we can also expect digital technologies to play an even greater role in the supply chain. RFID has been a long time coming but demand for ‘intelligent packaging’ is increasing and forecasters are predicting growing significance for the technology in retail supply chains. RAIN RFID – a global alliance promoting the universal adoption of UHF RFID technology – reports that Macy's has already reduced inventory costs by \$1bn by using the technology to identify stock throughout its store estate in real-time, enabling store-based fulfilment of online orders and thus “using the real estate as flexible warehouses”. Decathlon, too, has benefited, increasing sales by 2.5% thanks to the improved stock visibility RFID has delivered. IDTechEx predicts that some 8.7bn RFID labels will be used for apparel tagging in 2017, putting market penetration at 20%, with significant growth expected in coming years.

Robotic forklift trucks in warehouses have been around for years but forecasters are now predicting that before too long, robots will be able to pick from shelves or floor locations, making warehouses fully automated for the first time. At the other end of the supply chain, there is much talk of delivery drones, although these are probably almost certainly further into the future than warehouse robots.

While digital delivery of books and music already well-established, pundits are already predicting that 3D-printing will transform supply chains in the years ahead. The technology has come a long way since early demonstrations of printers producing plastic spoons.

Printing metal objects is now possible and the whole sector is predicted to grow significantly over the next decade as the price of printers continue to fall and the technology becomes commonplace. Printing spare parts and components, for example, is now possible and is expected to impact global sourcing patterns. In the longer term, if a retailer can print items on-shore or even in-store, then lead times could be cut still further and ‘just-in-time’ supply takes on a whole new meaning.

## In summary

Supply chains have become complex and global but consumer demand for instant gratification means that production must move closer to home, while digital technologies are cutting costs and delivery mechanisms. Whether it is 3D-printing, Uber-style freight services, robotics or the Internet of Packaging, retail supply chain management is facing a period of disruptive change in the years ahead.

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We help you get your products to your customers on time and in perfect condition, creating an excellent customer experience with packaging solutions that also deliver the 'wow' factor. Our experts work with you to understand your requirements and develop a solution that is right for your business. Solutions cover a wide range of lead brands and the latest innovations in corrugate boxes, tape, cushioning and void-fill, mailing bags, papers, strapping, stretch films and packaging machinery. Whatever your packaging requirement, Antalis will find the best solution to your current and future needs.

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Amazon  
ARCO  
ASDA  
The Book People  
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**Partners:**

Sealed Air  
FP International  
Ranpak  
Lantech  
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Arvato has helped leading consumer brands such as Esprit and Nestlé to grow their ecommerce and omnichannel businesses. Using its global infrastructure of 63 distribution centres in 22 countries, an omnichannel order management system, 25,000 call centre seats and a global payment gateway, it is in a unique position to support the domestic and international growth strategies of brands and retailers across all B2C and B2B channels. Arvato's services span the entire ecommerce value chain: implementation and operation of online shops, design & UX, warehousing and transportation, financial services, customer service and omnichannel consulting.

**Customers:**

C&A  
Coty  
Douglas  
Esprit  
Nestlé  
Rituals  
Tory Burch

**Partners:**

DHL  
DPD  
FedEx  
Hermes  
Salesforce Commerce  
Cloud  
Spryker  
UPS

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CML has more than 25 years of experience with global fashion retailers, providing exceptional fulfilment capabilities for ecommerce, value added services (VAS), store pick, pack and despatch. We offer a genuine end-to-end logistics service that is supported by 500,000 sq ft of flexible retail warehousing and a complete returns process management solution.

**Customers:**

Bjorn Borg  
Head  
Marcus Lupfer  
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Meller Group  
Mih Jeans  
Office Depot  
Theory

**Partners:**

Highjump WMS

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100% owned by PostNord, the merged Swedish and Danish post offices, Direct Link are experts in creating borderless B2C ecommerce solutions for direct mail, packets and parcels. Our comprehensive offering includes tracked services, returns and unique services for market entry. We customise solutions that expand our clients' markets worldwide. As part of PostNord, the leading supplier of communication and logistics solutions in the Nordics, we combine entrepreneurial flexibility with corporate stability. As specialists, we recognise that international delivery is a complex arena. We welcome the opportunity to hear your thoughts and discuss your delivery requirements.



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Duo UK has been manufacturing, engineering, procuring and distributing packaging for clients the world over since 1988. Whether it's saving money or the planet, creating stronger products or partnerships or delivering expert advice, excellent results are a guarantee.

## Customers:

**Ellis Brigham**  
**JD Sports**  
**JD Williams**  
**Mountain Sports**  
**Oasis**  
**Simply Be**  
**Tesco**

## Partners:

**Davies Turner**  
**Walkers Transport**

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KNAPP is a leading global supplier of warehouse automation systems and software for the ecommerce, retail, fashion, food, pharmaceuticals and manufacturing sectors. KNAPP designs, installs, maintains and upgrades systems that feature state-of-the-art order picking, conveying and storage technologies. The group has more than 1,700 installations worldwide and at the heart of many KNAPP solutions is its proven OSR Shuttle™ automated storage and retrieval system. KNAPP delivers integrated solutions for the handling of hanging garments and flat-packed goods, intelligent conveyor systems, ergonomic pick-to-light stations, A-frame autopickers, AGVs and its own range of powerful warehouse software solutions.

## Customers:

**ASOS**  
**Boots**  
**Clarks**  
**Hugo Boss**  
**John Lewis**  
**Lloyds Pharmacy**  
**Marks and Spencer**  
**Staples**

**KPS AG**

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KPS is Europe's leading management consulting firm for retail business transformation and process implementation. We offer end-to-end strategy and process consulting, with extensive implementation expertise in digital customer management, ecommerce and ERP. Our customers profit from the experience and deep sector knowledge of our consultants, which allows them to drive omnichannel and digital transformation projects to success. With its proprietary Rapid Transformation® methodology, KPS has cut project turnaround times by up to 50%. We are based in Munich, with additional locations across Germany, Denmark, Austria, the Netherlands, Switzerland and the US. KPS plans to expand further into the retail sector with innovative digital transformation projects.

## Customers:

**Arla**  
**Dansk Supermarked**  
**Delvaux**  
**Electrolux**  
**Hugo Boss**  
**Lidl**  
**Puma**  
**SportScheck**

## Partners:

**Adobe**  
**Hybris**  
**Intershop**  
**SAP**

**LOGISTEX**

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Logistex provide automated materials handling and software (WMS) solutions for warehousing operations. We are specialists in storage and retrieval, order forwarding, picking and sortation systems. As an independent company with no manufacturing ties, we integrate products from across the industry without compromise. Logistex's LWS Reflex Warehouse Management System is a flexible, scalable solution for all warehouse operations from simple manual to complex automation. It is licensed by site with unlimited users, so there's no financial penalty for growth.

## Customers:

**Arco**  
**B&Q**  
**Dr Martens**  
**Littlewoods**  
**Quiz Clothing**  
**RS Components**  
**Superdrug**  
**WHSmith**

## Partners:

**Automha**  
**Van Riet**

## MAGINUS SOFTWARE SOLUTIONS

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**Magnus**

Whether you're a retailer, wholesale distributor, online pureplay or mail-order company, Magnus' core solutions are designed to meet your specific business needs. Magnus aims to take the stress and uncertainty off our customers' shoulders through the provision of industry-specific solutions based on world-leading technology platforms. Magnus' solutions include in-store technology, merchandising and warehouse management systems for processing sales and fulfilling orders as well as some of the leading eCommerce solutions in the industry.

Magnus has unique experience in integrating these technologies, to provide a true omnichannel platform.

### Customers:

**Bettys & Taylors**  
**The Card Factory**  
**The Co-op Electrical**  
**Habitat**  
**Nisbets**  
**RSPB**  
**SMEG**

### Partners:

**EPiServer**  
**iCore Solutions**  
**Magento**  
**Microsoft**  
**Sana**

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Software-as-a-Service (SaaS) provider Peoplevox knows warehousing inside and out. With over 100 clients in 24 countries, its class-leading warehouse management system (WMS) is one of the eCommerce industry's most trusted and reliable tools. Peoplevox gives pureplay and multichannel retailers full control over their warehousing processes, decreasing costs, increasing profitability and improving customer satisfaction. Its software is purpose-designed to meet the unique demands of each business. Working on any Android-enabled device, the solution is flexible, fast and affordable. It's also truly scalable and easily integrated.

### Customers:

**Barbour**  
**Intersport**  
**JD Sports**  
**Mothercare**  
**Oliver Bonas**  
**The Range**  
**Surfdome**  
**TJ Hughes**

### Partners:

**ChannelAdvisor**  
**Magento**  
**MetaPack**  
**NetSuite**  
**Shopify Plus**  
**Volo Commerce**

## PFS



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PFS is a global commerce service provider of solutions including digital strategy consulting, digital agency and marketing services, technology development services, business process outsourcing services and a complete omnichannel technology ecosystem. The company seeks to optimise every customer experience and enhance the traditional and online business channels of clients across numerous industries. PFS is solution agnostic, with strong and longstanding partnerships with the major enterprise commerce platform providers, which results in the best technologies being utilised for each implementation. PFS has offices across three continents in North America, Europe and Asia.

### Customers:

**ASICS**  
**Anastasia Beverly Hills**  
**Barbour**  
**Gore**  
**The Entertainer**  
**L'Oréal**  
**Pandora**

### Partners:

**SalesForce Commerce Cloud**  
**SAP Hybris**  
**IBM**  
**Magento**  
**Oracle Commerce**

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With more than 25 years of multichannel retail experience, Sanderson helps brands to navigate the complexities of today's retail and wholesale markets, sell across multiple sales channels, achieve a single view of customers and stock, and offer flexible fulfilment and delivery options. Our retail ERP software covers B2C/B2B channels, warehouse management & fulfilment, delivery integration and returns, purchasing, marketplace order management, eCommerce, EPoS, and digital store solutions.

### Customers:

**Axminster Tools**  
**Beaverbrooks**  
**Clipper**  
**Hotel Chocolat**  
**Joe Browns**  
**Office**  
**Thorntons**  
**Tottenham Hotspur**

### Partners:

**AFD**  
**CyberSource**  
**Datalogic**  
**Global-e**  
**MetaPack**  
**Sage Pay**  
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Snapfulfil is a best-of-breed, real-time warehouse management system which drives highly efficient warehouse operations, allowing customers to do more with the same or less resources. Thanks to its unique blend of Tier 1 functionality, proven delivery methodology and enterprise-class IT infrastructure, more and more retailers are turning to Snapfulfil to optimise inventory, space and labour within their warehouses – from ecommerce start-ups to multinational corporations. Offering a range of deployment methods and payment options, including its unique, No Capex model, whatever your warehousing challenge, Snapfulfil offers a solution.

## Customers:

**Bensons for Beds**  
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**Freestyle Xtreme**  
**Harveys**  
**Oak Furniture Land**  
**Shop Direct Group**  
**simplehuman**  
**Vision Direct**

## Partners:

**Cisco**  
**Honeywell**  
**iland**  
**Metapack**  
**NetDespatch**  
**NetSuite**  
**VMware**  
**Zebra Technologies**

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Sorted creates game-changing software that sits in online checkouts, warehouses, retailer supply chains and on your smartphone. This changes the delivery experience for everyone who touches it – the customer, the carrier, the channel partner and the retailer. Sorted products include a scalable delivery management system, an ecommerce checkout personalisation plugin, a consumer delivery and returns app and a parcel price comparison website. Sorted is transforming the world of deliveries from a complex battle of logistics into a simple, seamless – and even uplifting – experience.

## Customers:

**3P Logistics**  
**Graham and Brown**  
**Lush**  
**Matalan Direct**  
**Missguided**

## Partners:

**A library of global carrier partners in addition to most of the global ecommerce and WMS players**

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Tarlu is a logistics company based in the UK that provides international fulfilment services for companies all around the world. We assist fast-growing multichannel retailers in reaching their objectives. Warehousing and distribution facilities service UK, European and all international markets, while state-of-the-art in-house technology ensures that pick and pack and shipping services are streamlined, efficient and cost-effective. Local warehousing and distribution service in Michigan are managed directly from the UK, making them ideal for companies exporting to the USA. New facilities in Madrid offer rapid, cost-effective distribution throughout mainland Europe.

## Customers:

**Clients are based in Australia, India, Ireland, Israel, UK and the USA**

## Partners:

**Asendia**  
**DPD**  
**Landmark Global**  
**Norsk**  
**Palletways**  
**Royal Mail**

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Pentagon is a market-leading service and technology provider that enables retailers to accelerate their online growth through international marketplaces worldwide. Using a team of more than 150 ecommerce experts, we optimise and localise data, integrate to new ecommerce platforms, connect stock management and order managements systems to marketplaces, launch and manage online stores, drive ecommerce sales, handle international logistics and returns, and provide multilingual customer service. Our tiered service offering provides retailers with a tailored solution to meet their unique requirements, from a robust technical integration to fully managed online stores across multiple international platforms.

## Customers:

**Ann Summers**  
**BMW**  
**Canon**  
**Dyson**  
**Next**  
**Halfords**  
**Nissan**  
**Renault**

## Partners:

**Amazon**  
**eBay**  
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**Myntra**  
**Newegg**  
**Privalia**  
**Rakuten Ichiba**  
**Cdiscount**