

Case study Warehouse Refurbishment and Redevelopment for Food Manufacturer

BENEFIT	MEASURE
Service level	Existing levels sustained with increased throughput
Warehouse consolidation	£2.5M saving per annum
Efficiency gain	£0.5M labour saving per annum
Storage capacity gain	Increase from 43K to 65.5K pallets

The scenario

Britain's biggest food manufacturer wanted a centre for warehousing best practice at one of their 60 UK sites. The site was set up as a benchmark within the company for the definition and delivery of the highest possible standards of working practice.

Owing to further acquisitions, the client required an additional warehouse built at the distribution centre to facilitate the ongoing warehouse consolidation programme

WBS had just finished a project which added a 16,500 pallet warehouse to the existing site and which completely refurbished 70% of the existing warehouses on the site.

The programme

A series of specific projects were identified for the programme:

- Build a new 20,000 m² warehouse
- Design and build 19,500 pallet locations to suit current and future product mix
- Design and build office and staff amenities block in the yard
- Design and install a pallet conveyor system
- Refurbish and re-layout 5 existing warehouses to achieve 3K storage locations
- Continue drive to improve health and safety on the site
- Computer simulate the overall warehouse to confirm the layout and further optimise the site

The mechanism

Making changes that lead to sustainable improvements requires a consultative approach involving everyone affected by the process, in every area of the organisation.

Building on the success of the first construction and refurbishment programme, WBS again created an implementation team made up of WBS consultants, and representatives from the client's own people. In this instance the client provided one permanent member to the project team to ensure operational requirements and expertise were always kept in focus.

A schedule of weekly programme update meetings with all client stakeholders was rigorously adhered to ensuring the right levels of communication and decision making.

Furthermore, a schedule of weekly contractors' meetings was also maintained in order to ensure that all trades were working together and that all issues could be raised and resolved.

The permanent members of the programme team were each responsible for one or more projects and would draw on relevant people from the client's organisation to participate in design workshops etc.



The benefits

- Existing service levels of 98-99% sustained despite the further throughput increase
- Storage capacity increased by 22,500 pallets to 65,500 pallets
- £2.5M saving achieved by discontinuing a 3rd party warehouse operation
- Modern and safe office and staff facilities
- £0.5M annual labour saving by introducing a pallet conveyor system
- Lux levels raised from 30 to 250 in refurbished buildings
- Brighter and cleaner working environment
- Introduction of location check digits
- Centralised pick face solution
- Centralised outbound marshalling solution

The next steps

As the project got closer to completion the number of WBS team members was reduced as part of a gradual handover process.

WBS was retained to prepare layouts and quotes for further storage optimisation of the site with a target of an additional 10K pallets.

Once options, layouts and quotes were agreed by the client, WBS handed over project management to the client.

The full WBS team transferred to another distribution centre in the client's network where they designed and programme managed the complete refurbishment and redesign of the site.

