

# Case Notes

Iceland.co.uk

## Warm feelings for automated sortation at Iceland Frozen Foods

### The objective

Some years ago Iceland installed an automated sortation system fed by a pick-by-light pick to belt system into one of its frozen food depots. However, more recently, changes in the patterns of business have taken place and this has resulted in a belief that the system was no longer able fully to meet Iceland's needs. Also reliability has become more of a problem and support for the control system difficult.

As a result of the above problems Iceland decided to call in Consultants to advise them on how best to proceed. Because of their experience of retail warehousing and distribution and particularly of warehouse automation Iceland chose THE LOGISTICS BUSINESS to undertake the investigation.

### The Logistics Business approach

The first step taken by THE LOGISTICS BUSINESS was to spend time with all the people directly involved in the use and operation of the system to understand the problems as well as any further changes in the business that might affect the performance. As is often the case we found we were usually hearing about symptoms and we therefore followed up with a structured investigation to understand the causes of the problems. By combining the information gathered with our experience of other warehouse operations we were able to match symptoms and causes and hence home in on solutions.

#### **Success with automation**

Automation can bring many benefits in warehousing and distribution centres. However, success depends not only on the choice of equipment and control systems but on the way in which the system is managed. Automation is sometimes presented as inflexible and unable to cope with changes in the business. This might be true in a few situations but usually it is the lack of flexibility in management methods which is the greater problem.

### The solution

We concluded that the sortation system could meet the needs of the business if certain steps were taken. These included changes to the way product was zoned and picked, changes to the strategy adopted for use of the sortation output lanes, and adoption of new picking methods, not involving the pick by light. We also recommended changes to workload balancing and to the frequency of store deliveries. Estimates were made for the cost of improvements to the control system which were shown to be favourable in comparison with the cost of other proposed changes.

### Successes and Benefits

- ❧ Iceland was given clearly documented options to use as the basis for decision making.
- ❧ Discussions on the future of the sortation system were no longer based solely on opinion but upon clearly presented factual information.
- ❧ We demonstrated how success with automated systems is not dependant on the equipment alone. Performance is greatly influenced by the strategy adopted for operation of the system and by day to day management skills.