

Case Notes



Helping to manage rapid growth at Scottish Power Retail

The objective

In recent years growth, both internal and through acquisition, resulted in sales trebling. This has been accommodated through the use of a number of short term fixes and support from a variety of third party distributors. To reduce costs and improve control the company was keen to develop a new distribution strategy.

The Logistics Business approach

THE LOGISTICS BUSINESS was invited to undertake a programme of data analysis (difficult in this case due to the rate of change reflected in the raw data collected) and develop plans for the future.

Data dumps were taken from the Client's computer systems to provide details of all sales orders over a 12 month period. From this both peak and average activity levels could be assessed and projected into the future based on the general business forecasts. Part of the project involved helping to develop a distribution strategy to cover all of Scottish Power's stores in both Scotland and England. From the data collected it was possible to model distribution patterns through the country and find a solution to make best use of the existing infrastructure.

From this and other data it was possible to develop a statement of the business requirement.

The solution

These included plans for extending and greatly improving the performance of one distribution centre and layouts for a completely new distribution centre. Both warehouses were designed around a mix of narrow aisle trucks with separate picking and replenishment aisles, gravity conveyor based pick faces for both pallets and cartons, block stack and shelving. Product lines were then assigned to particular picking and storage areas depending on throughput, physical size, stock volume and product type. Recommendations for computerised warehouse management were also made

Successes and Benefits

- ☞ By basing the analysis on raw data it was possible to ensure far greater accuracy in the analysis.
- ☞ The analysis of products using a number of different measures enabled products with different characteristics to be grouped and optimised around those specific characteristics.
- ☞ At the end of the project Scottish Power had a clear set of costed plans for a distribution network to meet the future needs of the business.

Experts when you need them

Whilst most companies know their businesses better than outsiders, projects of this type are carried out very infrequently by most companies. Hence retaining the necessary skills and experience that such projects demand is very difficult.

Bringing in consultants to work in partnership with a customer's team ensures that the best of both worlds can be realised.