

# Electronics e-tailer Optimizes Order Fulfillment

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## Voice picking has delivered wide-ranging benefits:

- Productivity up to 35% over paper or RF picking
- Almost 100% picking accuracy
- A reduction in the time spent training new staff
- Greater job safety and reduced staff turnover

An integrated logistics solution enables Elgiganten's central Nordic warehouse in Jönköping, Sweden to gain close to 100% pick accuracy and meet increasingly rigorous demands for picking efficiency and quality.

The warehouse distributes over 4000 products to the group's 247 megastores in Norway, Sweden, Denmark, Finland, Iceland, Greenland and the Faroe Islands, and also fulfills the rapidly growing volume of direct-to-customer orders.

The e-business boom in electronics poses significant order fulfillment challenges. Rather than processing mostly multi-product orders for traditional distribution, Elgiganten now handles a constantly increasing volume of single customer orders for just one or a couple of items. To accommodate Elgiganten's ever growing product range and rapidly changing distribution requirements, Dematic implemented an integrated logistics solution that provides the necessary flexibility to meet the company's expanding e-business and support its aggressive growth plans, which include significantly increasing the number of outlets in the Nordic region over the coming years.

### New flexible pick and pack solution

"Our e-business channel has been growing at a rate of 50% per annum, and our product range is also expanding rapidly. We initially contacted Dematic with a view to developing a Split Case Module to better handle these types of orders," explained Elgiganten's Development Manager, Andreas Thimour. The Dematic Split Case Module is a zone-routing system in which order cartons are conveyed to the relevant picking zones where products for the orders are located. Zones that do not have product required for the order are skipped. To improve the speed, efficiency and responsiveness of order fulfillment, the warehouse is divided into several picking zones. Fast and slow movers are picked in separate areas so that the system and organization can be geared differently to optimize productivity.

### Voice-directed activities

Warehouse staff are verbally directed to pick items such as mobile phones, MP3 players, curling irons and digital cameras by voice-directed technology. The pickers wear a small belt-mounted voice terminal and headset with microphone. They receive clear vocal commands and confirm tasks verbally via a voice terminal. Voice picking lets the pickers keep their hands and eyes free at all times, making it faster and easier to pick the right products in the right order, and safer by letting the user concentrate on product handling.

Gone is the need for pick lists or RF terminals, which require pickers to use their hands and eyes to read, navigate and confirm tasks.

The Dematic voice system maintains wireless real-time contact with the warehouse management system (WMS). The voice terminal reads out the location and quantity to the picker. The picker

confirms the completed assignment by reading the last three numbers of the product's EAN code. This ensures the correct product is picked, virtually eliminating picking errors. "The last detail is important because many products are valuable and, in some cases, will be dispatched directly to the end customer," explained Andreas Thimour.

#### **Flexible use of manpower**

"Since implementing the system, we have continued to optimize and improve its efficiency," said Project Manager, Daniel Lundby. "The areas Dematic was responsible for work perfectly. They have been extremely professional, delivered high quality, and were quick to respond to challenges as they arose," said Mr Lundby. "Productivity and efficiency is maximized with the Dematic order fulfillment system enabling warehouse staff to be easily redeployed to other duties in other parts of the warehouse," he said. "We can also increase throughput by increasing the number of pickers in the zone routing system during peak periods like Christmas."



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