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Jan Peeters, European Logistics Manager, Donaldson



# Donaldson takes control of European distribution with Manhattan Associates

## DESIRE TO WORK MORE EFFICIENTLY AND IMPROVE CUSTOMER DELIVERY PROMPTED CHANGE IN OPERATIONS

Donaldson Company Inc. is a leading worldwide provider of filtration systems and replacement parts. Founded in 1915, the technology-driven company is committed to developing filtration solutions through innovative research and development. Donaldson serves the industrial and engine markets, including dust collection, power generation, specialty filtration, compressed air purification, off-road equipment, industrial compressors, heavy trucks and light vehicles.

Donaldson previously relied on an external party to distribute its products across Europe. In order to have more control over shipments and lead-times, work more efficiently and improve communications with customers, the company decided to implement changes in its distribution and logistics operations. After a 3PL history of seventeen years, Donaldson decided to bring back in-house its European distribution function.

Management selected a site in Bruges as the most suitable location for the company’s new European Distribution Centre (EDC) and so set about the task of converting a former industrial use site into a modern distribution centre in just a short period of time, without compromising on lead-times or disappointing customers.

## NEW EUROPEAN DISTRIBUTION CENTRE WITH STATE-OF-THE-ART WMS TO IMPROVE SERVICE AND RESULTS

The creation of a modern EDC was critically dependent on the technological infrastructure that would support it. Donaldson needed a warehouse management system (WMS) which was state-of-the-art and easy to use. In addition, the WMS had to be dynamic in order to handle orders fast and integrate easily with a voice picking solution.

Representatives from the company asked fifteen would-be WMS providers to explain their offerings for the project. Manhattan Associates eventually turned out



**Headquarters:**  
Minneapolis, MN, US

**Distribution centres using Manhattan Associates:**  
EDC Bruges, Belgium, 22,000 sqm.

**Manhattan solution:**  
Warehouse Management

### Challenge:

Outsourcing of the EDC led to communication problems with customers and control issues.

### Goal:

To improve control over shipments and lead-times, communication with customers and to make distribution more efficient.

### Solution:

In-sourcing the EDC, with the help of Manhattan’s Warehouse Management system.

### Result:

Productivity was boosted, activities were streamlined and shipment accuracy increased to 99.8%.

to be the most suitable partner for Donaldson in this project. "Manhattan's Warehouse Management system was easy to implement and has an easy-to-use interface," says Peter Gobel, DC Manager. "These were important features for us, as there was not much time to get the new system up and running."

Donaldson's project team led the design, configuration and implementation of the Warehouse Management solution, with support provided by a project manager and consultant from Manhattan Associates. This approach made it possible to convert the former industrial site into a state-of-the-art EDC in just seven months.

"The transition to a modern distribution facility was seamless," says Peter Gobel, DC Manager at Donaldson's new Bruges facility. "Great support from the Manhattan Associates team was a big part of this, as well as the drive of our people in Bruges to make this project a success."

## EFFICIENT DISTRIBUTION AND HIGHER SHIPMENT ACCURACY

After the Warehouse Management solution went live, productivity was boosted, activities were streamlined and shipment accuracy increased to almost 100%. The EDC can now work with 25% fewer personnel than at the former third-party DC. Voice-directed picking facilitated by the integration of Manhattan's technology with Vocollect Voice® has streamlined activities on the warehouse floor. "Our workers appreciate the usability of the system," says Peter Gobel. "The voice-enabled WMS directs their tasks, making working procedures very clear. This reduces mistakes in order handling and improves productivity."

For the most part, these gains were due to the flexibility and scalability of Manhattan's Warehouse Management solution. A few months after the system's go-live at the EDC, Donaldson and Manhattan Associates reconfigured the system to the principles of a dynamic warehouse. Rather than slotting every stock keeping unit (SKU) to individual home locations, the SKUs were assigned to a preferred aisle where they are put away, replenished, pulled and picked. Productivity rose by 40%. All new priority rules for the different warehouse activities were set up, as well as new task paths for the material handling equipment. Thanks to this, workloads are easy to adjust and more urgent orders can be prioritised.

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Warehouse transit time was also reduced from 60 to 24 hours, regardless of the order size. Finally, errors in shipments are minimal because of clear working procedures dictated by Warehouse Management. Each shipment has to be scanned before loading, making each pallet traceable and errors easy to detect. This increased shipment accuracy to 99.8%.

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