

“The Manhattan solution was welcomed by staff at every level thanks to a rigorous change management programme. We saw immediate benefits within two days of the system going live and it has subsequently enabled us to standardise and optimise our supply chain processes at a European level while improving productivity across all our subsidiaries.”

Pascal Duminy, director of information systems,
Southern Europe at Manutan



Manutan optimises European supply chain with Manhattan Associates

Founded in 1966, Manutan is a European leader in the office and industrial supplies business. Through its catalogue, call centre and e-commerce operations, Manutan offers a range of more than 200,000 products spanning materials handling, lifting, storage and manufacturing supplies, safety, hygiene and packaging goods, as well as office and workshop equipment, supplies and consumables. Manutan generated revenue of €489 million in its last financial year, with the company's 1,500 employees serving more than 600,000 clients throughout Europe every day.

To provide a comprehensive European-wide service capability whilst respecting differences in local and regional customer requirements, Manutan is organised into five separate, geographically-focussed, divisions: Southern (Spain, France, Italy, Portugal and Belgium), Central (Germany, Austria, and Netherlands), Western (Ireland and UK), Northern (Denmark, Finland, Norway and Sweden) and Eastern (Hungary, Poland, Czech Republic, Slovakia, Slovenia and Russia).

SELECTING A SYSTEM THAT EFFECTIVELY SUPPORTS A COMPLEX MULTICHANNEL RETAIL OPERATION AND THAT IMPROVES LOGISTICS EFFICIENCY

Two years ago, Manutan embarked on a major project to re-platform its global IT systems by replacing an internally developed and maintained enterprise resource planning (ERP) system. The main objectives were to standardise and optimise Manutan's operations at a European level and maximise efficiency within each of its subsidiaries at the same time as enhancing customer service levels. One of the first steps of the project was to identify technology options to support each of the organisation's main functional areas however Manutan decided not to consider an all-encompassing solution, and instead made the strategic decision to select a range of best-of-breed solutions.

In the context of this business-wide initiative, the selection of the right technology to support the company's supply chain performance was a key priority for Manutan's executive team. The strategic importance that the team places on the supply chain stems from the fact that each of its distribution



Number of distribution centres and locations:

Several in 20 European countries

Manhattan solutions:

Warehouse Management for Open Systems

Slotting Optimisation

Supply Chain Intelligence

Challenge:

Manutan wanted to standardise and rationalise its supply chain operations across Europe.

Goal:

Standardise logistics technology and improve supply chain performance across all Manutan European operating subsidiaries.

Solution:

Manhattan Associates' Distribution Management solutions were selected as a best-of-breed preference to optimise Manutan's supply chain operations.

Results:

Manutan has increased DC productivity and customer service levels.

centres (DCs) is handling literally thousands of orders each day – orders that are received via multiple channels - catalogue, call centre and website. Manutan wanted a new solution that was capable of enhancing its warehouse management processes on every dimension: slotting approach, picking efficiency, transit speed within the warehouse, inventory control, demand forecast accuracy, labour productivity and order tracking capability.

Based on a set of highly detailed specifications outlining the requirements of its supply chain optimisation platform, and in line with the team's desire to select a best-in-class solution, Manutan chose Manhattan Associates. The new platform, based on applications from Manhattan Associates' Distribution Management suite, includes Warehouse Management, Slotting Optimisation and Labour Management solutions.

IMPROVED PROCESSES AND REAL-TIME INFORMATION FOR AN OPTIMISED EUROPEAN SUPPLY CHAIN

To manage the effective transition to the new system, Manutan placed the project under the leadership of its IT Department, with strong support from its supply chain staff. To ensure the project's success, the organisation put a great deal of emphasis onto the change management approach, which started as soon as the new solution was selected. From the initial phases of the implementation, Manutan's IT Department instigated a regular programme of planning, risk assessment, communication and action so that all supply chain staff were fully briefed on plans, tasks and responsibilities at every stage of the process.

One year after the project kick-off, the new WMS went live at one of Manutan's DCs in the Southern Europe zone. The solution was installed eight weeks later at a second warehouse in the same zone, this second site being dedicated to Manutan's fast moving products and returned goods.

Just two days after go-live, Manutan saw immediate benefits in terms of warehouse management optimisation, particularly in the way picking was being managed. As an example, Manhattan helped Manutan to optimise the order preparation process by directing operators to a processing zone within the warehouse instead of directing them to manage a whole order, which could involve spending time in several processing zones within the warehouse. By switching to this new organisational model, Manutan has reduced order preparation cycle time and benefits from a higher degree of operational flexibility.

The receiving process has also been improved. While Manutan previously handled the sorting process for received goods in a very manual way, this activity is now managed in an automated fashion through Manhattan's Warehouse Management solution, which dictates to the operator the sorting process sequence.

Another key improvement that Manutan has been able to put into place thanks to Manhattan's solution relates to order consolidation. As Manutan processes a large number of small orders, a specific area has been created on the dock where packages are consolidated according to their packaging type and delivery location. This new process has streamlined the way Manutan manages the high number of small orders it receives.

More generally, Manutan's entire supply chain is now benefiting from Manhattan Associates' Distribution Management solutions. The new platform provides supply chain information in real-time, has increased velocity of the entire fulfilment operation, has improved inventory visibility and accuracy, and enabled Manutan to raise the overall level of service it provides to customers.

After the success of these initial deployments, Manutan is now deploying Manhattan Associates' solutions at its new central DC in France and will soon initiate a roll-out of the solution at its DC in the Netherlands.