

Zebra modernizes warehouse processes in both Europe and the US

An interview with Lester Arts, operations manager of Zebra Technologies in Heerenveen (NL) and Gary Meekma, warehouse operations manager of Zebra Technologies in Vernon Hills (USA) by Marcel te Lindert.



Zebra made the strategic decision to switch to an Oracle ERP system in all of its facilities, including its two central distribution centres (DCs) in Europe and the US. As part of the project, the company, which manufactures barcode printers and labels, enlisted Groenewout's support in critically assessing the existing working methods in its DCs. The result: higher productivity and better control of the processes.

Zebra's technology helps companies right around the world to identify their products, enabling them to print barcodes or programme RFID tags so that products can be tracked and traced along the entire supply chain. All of Zebra's products used by companies anywhere in Europe, the Middle East and Africa originate from Zebra's DC in Heerenveen, The Netherlands – a 4,500m² facility where 80 employees handle between 900 and 1,100 order lines per day. Products range from hardware devices such as barcode printers to consumables such as ribbons, labels and RFID tags. "Our shipments can vary from a small parcel to consignments of 20 pallets or more," says Lester Arts, operations manager at Zebra in Heerenveen.

Order picking process under control



Lester Arts

Zebra kicked-off the implementation of the new ERP system in 2008 as part of a global project. Groenewout's involvement started in autumn 2010. "The roll-out of the Oracle system means that all of our facilities now work with the same ERP system, no matter where they are in the world. That allows quicker and easier communication between the various regions. We can also see each other's stock levels, for instance," explains Arts.

Arts, a Canadian based in The Netherlands, also sees Oracle offering tangible improvements to the logistics operation in Heerenveen: "One of the system's benefits is that it has enabled us to introduce a paperless order picking process and cycle counting, for instance."

When implementing Oracle, Zebra enlisted the support of Groenewout. "Because this implementation formed part of a global project, we couldn't afford to risk any delays. Meanwhile, a project of this nature takes up a lot of time and energy, from the operations as well, especially if you don't have all the necessary expertise in house. Groenewout helped us not only with setting up new processes but also with making decisions," comments Arts. Groenewout began by thoroughly analyzing the existing processes and data. The consultancy firm then identified the optimal process configurations and parameter settings, including for receiving, replenishment and packing. By far the most significant improvement was made to the order picking process.

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Zebra had previously worked with printed pick lists per order, with the supervisor distributing the lists among the operators. Now, several operators can work on one order simultaneously, which reduces travel distances in the warehouse. In addition, since the operators use barcode scanners, Zebra now has the entire order picking process fully and continually under control. Oracle manages the whole process, including the final consolidation of partial orders.

Productivity almost doubled

The new processes and the new ERP system were implemented less than four months after Groenewout started. "Thanks to their speed, understanding of the business and knowledge of best practices, we were able to keep the project on schedule. We would never have managed that alone," ventures Arts.

When the ERP system initially had some challenges after implementation, Arts did not hesitate to ask Groenewout for additional support. The consultancy firm carried out further analysis and concluded that the process decisions remained valid. The root cause appeared to be sub-optimal parameter settings in Oracle. Groenewout worked closely with the Oracle implementation team to analyze and solve the problems, and signs of improved performance soon became visible.

Another example of how Groenewout adds value is the tool for allocating products to locations. After all, to ensure an efficient order picking process, it is important that fast movers are stored in the most convenient picking locations. Thanks to the tool developed by Groenewout, Zebra can use the very latest transactional data to generate its own 'where to store' lists. "That tool helps us to gain maximum benefit from our new set-up," states Arts.

As a result of the new system and the new processes, the order pickers' productivity has almost doubled. "Plus, the process is now easier to scale up. New employees can get started much sooner without having to depend on others helping them."

Oracle in American DC



Immediately after the Heerenveen implementation, it was the turn of Zebra's DC in Vernon Hills, just outside Chicago (USA), an 11,500m² facility from which the company supplies all its customers throughout North and South America. "The main difference with Heerenveen is that we only handle printers, no consumables. Furthermore, there is a lot more variety between our customers' ordering profiles," explains Gary Meekma,

*Gary Meekma
warehouse operations managers at Zebra in Vernon Hills.*

Meekma also turned to Groenewout for assistance with the Oracle implementation. "Groenewout did a good job in Heerenveen. In view of their knowledge, experience and analytical capabilities, it didn't take long for me to decide to hire Groenewout. Plus they knew Zebra pretty well by then," continues Meekma.

Involving Groenewout also fit well with Zebra's strategy of implementing the same processes in both DCs as much as possible. "An employee from Heerenveen should be able to set to work here straightaway, without a second thought," says Meekma.

One thing common to both DCs is the change in the order picking strategy. Just as in Heerenveen, Meekma's team was used to order-based picking. Now batch picking has been introduced, up to five different people can be working on one order at the same time. Also adopted from Heerenveen is the allocation tool. "Storing products in their optimal locations represents a considerable achievement," comments Meekma. Both the North American and EMEA DCs use Zebra's own real time location system (RTLS) to aid the consolidation of orders during the picking and order assembly process. The system directs operatives to the correct staging lane, saving time and effort, thus providing further efficiency gains'.

Quicker acceptance of changes

The DC in Vernon Hills went live with the Oracle system in early 2012. Meekma is extremely satisfied with the results. "The order pickers' productivity has improved tremendously, thus enabling us to reduce staffing levels somewhat. In addition, cycle counting helps us to save a lot of time. And finally, we have better insight into how processes are running and employees are performing," explains Meekma.

Groenewout's role in Vernon Hills, just as in Heerenveen, was considerable. The consultancy firm not only helped to configure the processes, but also to determine the optimal warehouse layout and the required number of forklift trucks. "I was happy to leave those kinds of decisions to Groenewout. I have complete faith in their people," states Meekma. Arts agrees: "Their consultants are extremely professional and a pleasure to work with. The way in which they talked to the supervisors and operators, for instance, contributed to ensuring that our workforce was quicker to accept the changes we made."

However, as far as Arts is concerned, this is not the end of the story. "We're now looking for new efficiency gains. Thanks to the new system and our new working method, we've no longer got our hands full with troubleshooting. Instead, we're slowly but surely moving towards an ongoing process of improvement."

By Marcel te Lindert

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