

PROUD OF AN ELEGANT AND SOPHISTICATED OPERATION

An interview with Martin Zegers,
Managing Director, Forever Direct EU

A state-of-the-art distribution center, covered in metallic gold, has risen in Oud Gastel, close to Roosendaal, The Netherlands. Now, Forever Living Products will be able to support its Distributors in more than 90 countries in Europe, the Middle East and Africa more effectively & more efficiently than ever before. Groenewout is proud to have supported Forever Direct EU in realizing this new distribution center right from the start.

Long before the first shovel hit the ground, Forever Direct EU asked Groenewout for assistance. The main warehouse operation (EDC) of its health and beauty products for Forever Living Products in Europe, the Middle East and Africa (EMEA) was outsourced to DHL but Forever Direct always planned to insource all logistics activities. "It is our strong belief that the best way to control the quality of processes is to do it ourselves. Because of our business model we have a direct responsibility to our 9.5 million distributors all over the world. We must be able to supply them every day, everywhere with everything they order", says Martin Zegers, managing director of Forever Direct EU.

Groenewout carried out a feasibility study and presented it to Forever Direct. The study provided an analysis of data relating to the current operation, including expected growth figures. It also included three possible layouts for a new distribution center with an evaluation based on qualitative and quantitative criteria. The intention was to use this new center not only

for the replenishment of Forever Direct's numerous national distribution centers (NDCs), like we did in the first place, but also for direct shipments to distributors in 11 countries in northwestern Europe. Groenewout demonstrated the consequences this approach would have on all handling & physical distribution processes in the new distribution center.

Highly motivated and very knowledgeable

Once Forever Direct had approved the feasibility study, Groenewout immediately started on the second assignment: specifying the business processes and required IT functionalities based on the chosen concept. That resulted in a plan and budget for the IT implementation activities and a 'long list' of suppliers for the various IT systems. The third assignment followed after the decision had been made to build the new distribution center in Oud Gastel. Forever Direct asked Groenewout to act as the main point of contact for the building project as well as support the tendering, engineering, contracting, implementing and testing/validating of material handling equipment. Besides this

Groenewout also advised on warehouse security.

The consultants from Groenewout played an important role in the realization of the new distribution center, explains Zegers: "Alain Beerens carried out an excellent feasibility study, Mo Lasgaa and Jacques Swinkels showed great commitment as project supervisors, and Mari van Kuijk was my own right-hand man at senior management level during the entire project. It didn't take us long to see that all consultants were highly motivated, very knowledgeable and above all fine people to work with."

Managing eleven projects

With the expiration date of the contract with DHL looming and an overall tight schedule Forever Direct succeeded in moving the operation from the DHL warehouse at the Moerdijk industrial estate to the new distribution center in Oud Gastel on time without disruption of the high service levels to the NDCs/Distributors. However, not everything went as planned; the implementation of the 5 new software systems (ERP, DMS, WMS, WCS, TIS) and associated interfaces suffered some unexpected delay. Due to strong project management as well as implementation support Groenewout contributed, the challenging delays did not cause any disruption to the existing distribution process. Despite the ongoing IT testing activities for the new systems, Forever Direct started up the operation in Oud Gastel with the old/existing IT systems and the support of DHL. "Remember, this was a greenfield project in every way. We have a state of the art new building with mostly new people, new material handling systems and five new software applications. We are completing our status as a certified Authorized Economic Operator (AEO) as well as a customs bonded warehouse. We were managing eleven projects within the overall program. Despite the unexpected challenges and delays I am very proud with the end results," says Zegers.

Elegant and sophisticated

In 2013, a state-of-the-art distribution center, covered in metallic gold outer plating, has risen in Oud Gastel near Roosendaal in the Netherlands – An European DC with 17,000 square meters of floor space and a semi-automatic order picking, packing and shipment process. Goods are picked with a pick-to-light system in cartons that are closed, labeled and sorted automatically. Besides the daily inbound and outbound bulk replenishment process Forever Direct will after insourcing 11 national country warehouse operations in northwestern Europe, be shipping approximately 7,000 parcels per day from this distribution center. "The building's appearance is a reflection of the success of our marketing plan and Distributors", says Zegers. The managing director of Forever Direct Europe explains that he could not have completed the project without the support of Groenewout team: "They provided additional knowledge and critical technical expertise in this huge program with multiple projects going on at the same time".

About Groenewout

Groenewout provides professional consulting in Logistics and Supply Chains Management. Our core competence has been sharpened in supply chains optimization and detailed designs of manufacturing-, distribution- and fulfillment centers. ■

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