



Optimising Traceability and Compliance, and Delivering ROI for Leading Natural Foods and Healthcare Products Distributor

Founded in 1983, Wholefoods Wholesale is Ireland's largest and longest established distributor of natural foods and healthcare products including vitamin and mineral supplements, herbal remedies, licensed medicines, body care and haircare. Based in Dublin, Ireland but with unrivalled sales team coverage nationwide (ROI & NI), the company offers a turnkey logistics service backed up by product training, marketing and brand management.

THE BUSINESS

- Ireland's leading natural foods and healthcare product distributor.
- Turnkey logistics service provider to over 1,200 customers.
- 6,000+ SKUs.
- Regulated by the Health Products Regulatory Authority (HPRA) and licenced by the Dept. of Agriculture for Food Distribution.

AN INTEGRATED AND CHANNEL-SPECIFIC APPROACH

The Wholefoods Wholesale Dublin site employs over 75 staff managing and operating a 20,000 sq. ft twin-level facility.

Stock variety is wide-ranging, with around 6,000 SKUs. The warehouse includes restricted and quarantine areas to comply with regulatory requirements, as some products, including a number of prescription items, are subject to stringent Health Products Regulatory Authority (HPRA) regulations. Wholefoods Wholesale has a medicines distribution licence from the Health Products Regulatory Authority (HPRA) and complies with its stringent Good Distribution Practice (GDP).

The company is also licensed by the Department of Health and the Irish Organic Growers Association/Department of Agriculture for its food distribution business and complies with these additional licence requirements.



"The final essential requirement, was that any warehouse management solution chosen needed to integrate seamlessly with the company's existing telesales and ERP software."

"In effect we decided to opt for a best-of-breed option and, as such, it was imperative that successful seamless integration was achieved."

Kylie Burke,
Wholefoods Wholesale

SITUATION

Wholefoods Wholesale operations and administration functions were relying on a dual server-based IT infrastructure setup. This supported 26 desktop PCs and 27 radio data terminal units used by forklift and warehouse staff, all connected through a wireless infrastructure.

Business growth was posing serious challenges to the company's administration and systems, in particular, its stock and warehouse control functions. So, it set about seeking a new software solution able to cope with current and future demands. There was a requirement that any new technology would increase inventory accuracy and customer service levels, minimise time and paperwork overheads and deliver improved stock management across multiple locations.

Full Traceability: More importantly, the business needed to comply with strict food traceability laws and offer full traceability for the supplements side of the business. Any system needed to provide the company with a competitive advantage by increasing accuracy and efficiency and by serving its customers better.

Existing ERP: The management team assessed whether its ERP system could deliver the required warehousing functionality. It became apparent that this was not realistic. They also reviewed available ERP and accounting solutions, and it was clear that the required high-level functionality was not available, even from leading ERP solution providers.

When it was unable to find a one-shop-solution, the team revisited its business operations and requirements. While it had some issues with the ERP system, most of the key requirements the company needed revolving around effective stock management and traceability issues.

Functionality and Needs: Some of the required functionality was straightforward, such as tracking goods in and out, warehouse location recording and generating pick lists. Other needs were more complex. For example, a key business requirement is traceability of best before dates and batch numbers through the pick faces. This was time-consuming and tedious to record manually, and few systems were available able to address this requirement efficiently.

Legal Obligation: There was also a need to maintain robust traceability for all licensed and prescription items to satisfy the Health Products Regulatory Authority (HPRA). Additionally, advanced stock and productivity reporting was required.

RESULTS SUMMARY

- Compliance traceability fully managed from supplier despatch, warehouse arrival to customer proof-of-delivery.
- OpEX reduced: elimination of wastage, less out-of-date stock or damaged packaging.
- Order picking errors eliminated: complete visibility of all items in and up the supply chain and back down to customers' doors – and to the shelf.
- Increased delivery accuracy resulting in less returned stock.
- Mixed product management: multiple SKUs and varying best before dates fully managed.
- ProWMS exchanges data transparently in real-time with the existing ERP system.
- Future expansion assured: only 60% of ProWMS capability was initially applied.



OUTCOME

Wholefoods Wholesale reviewed available systems including Principal Logistics Technologies' in-house developed ProWMS warehouse management software. Areas it looked at included, not only how ProWMS could take warehouse and stock control to a new level but, how it might integrate with existing systems as well as support some other bespoke key requirements.

Picking Errors Eliminated: A constant problem for warehouse staff is that many stock items look alike. They may be of a subtly different size or contents. Also consider that the number of capsules in two bottles will look the same from a stock picker's perspective. This results in considerable potential for picking errors. Familiarity is the danger, because people tend to see what they expect to see - in the usual place. ProWMS seamlessly manages these issues as it directs the user - as opposed to the user going to where they think the product is - and, as such, eliminated such problems.

Order Picking and Management Simplified: ProWMS takes care of all stock movement from the sales order processing system, or when a purchase order is raised. Order picking is simplified through the lists presented by the handheld units. Stock rotation rules and implementation of best before date policies are integrated and automatically observed, with any required reports available at a click.

Best Before Date Management: ProWMS prevents a previous situation in receipting short shelf-life products at goods-in. The system sets the minimum acceptable number of days against each product record. The operator keys in the best before date and, in real time, ProWMS looks up the product record and calculates if the operator entered date is acceptable - an operator alert is issued if it is short.

Errors Eradicated: ProWMS eliminates errors in customer orders and simplifies staff working practices as they now simply scan the barcode to identify the customer order, SKU and required quantity.



"Wholefoods Wholesale warehouse staff became very comfortable quickly with the hand-held devices and it was immediately noticeable that accuracy and pick rates had increased. They embraced the new technology immediately, which had been an initial major concern."

Joe O'Shea, Principal Logistics Technologies

Wholefoods Wholesale concluded that the greater efficiencies and productivity achieved from the new system – such as considerable savings in staff time and error reduction - directly supported a measurable return on investment.

Management of Mixed Products: When a single pallet is delivered with multiple SKU's and varying best before dates (BBD's), ProWMS enables operators to break pallets down and record all varying metrics (like SKU's, BBD's, quantities etc.) and then either directs the operator to locate these products or rebuild the pallet and locate the entire mixed pallet, recording its location. The WMS also locates the (unbroken) mixed pallet into a single pallet location so that it can be checked at a less busy period.

Stock Returns Reduced: Delivery accuracy improvements have resulted in fewer stock returns. The van sales staff are much happier because there are fewer issues at their end, in dealing directly with customers. And the business benefits from reduced OpEx. Wastage was mostly eliminated since the principal causes were due to overlooked stock becoming out-of-date, or packaging damage from unnecessary handling, or transport issues as a result of errors.

Real-time Data Exchange: At the backend, the company will often have different promotions running. ProWMS easily copes with those related to, for example, bonuses, price breaks and those which may be time-limited. The system also exchanges data transparently in real-time with the ERP system for purchase orders, stock replenishment, proof-of-delivery and invoicing.

ProWMS manages traceability for compliance purposes robustly. From supplier despatch or warehouse arrival to customer proof-of-delivery docket, there is complete visibility of every item going through, as well as up the supply chain and back down to the customers' doors - and to the shelf.

"Familiarity is actually the danger, because you tend to see what you expect to see in the usual place. ProWMS manages all of the issues as it directs the user, as opposed to the user going to where they think the product is and, as such, has eliminated such problems."

Kylie Burke, Wholefoods Wholesale

Following delivery, Wholefoods Wholesale estimated that it was probably using no more than around 60% of ProWMS's capabilities. A range of management reporting functionality was under consideration like pick rates per hour. The company also looked at ways in which it could contribute to decisions on space requirements, trends and changes, and possible layout variations for improved efficiency.



In many respects traceability was considered one of the most important benefits of the project. The proportion of products covered by either the Health Products Regulatory Authority (HPRA) or Food Safety Authority of Ireland regulations was significant and an intelligent, auditable system ensures strict compliance.

Future-proofed Technology: The ProWMS system supports full traceability for any number of future products added. Adherence in operating to consumer product distribution best practice standards in future product range planning is also assured.

About Principal Logistics Technologies

For over 30 years, Principal Logistics Technologies has been a leader in the design and delivery of innovative warehouse management software (WMS) and enterprise resource planning (ERP) software. Our technology and services optimise operational performance, reduce OpEx, and increase revenue for 3PL, distribution, wholesale, manufacturing, and retail warehouse businesses. The company supports enterprise-level and multinational businesses with complex single and multisite operations spanning 3PL, chemicals & hazardous goods, hard & soft commodities, chill picking, cold storage, cross docking, eCommerce, FMCG, pharmaceuticals & healthcare and more. We operate from offices in Dublin in Ireland and Manchester and Birmingham in the UK.