

Case Study MetaPack and Dixons Group



Dixons Group can now work with all UK carriers using DMS CarrierLink

Background

Driven by the growth in online sales and home delivery, Dixons Group plc wanted to upgrade operational performance in time for peak 2004. The objective was to bring more automation to their supply chain, achieve greater efficiencies in the warehouse and ultimately improve throughput and capacity.

Dixons achieved this objective by implementing DMS CarrierLink, across all 4 chains: Dixons, Currys, PC World and The Link. The overall implementation of this module introduced 3 initiatives within the supply chain: the integration of new carriers, cross docking, and management of delivery capacity.

Improvements in their supply chain meant Dixons were able to introduce additional services that could be offered to their customers directly through the web front end and via the call centre.



The Challenge

In order to introduce additional services, Dixons Group needed to use more than one carrier. However they understood the complexities involved in operating a multi-carrier environment and knew that the integration of new carriers with their existing systems would prove difficult.

The Group also recognised that 100% of customer orders received into the warehouse were put in stock first, and transit labels weren't generated until the sales order was ready to pick and be taken to a packing point. Only then, would the consignment be ready for despatch. Dixons wanted to change this process to enable them to handle a significant increase in volumes.

Finally, by introducing more than one carrier Dixons would have different cut-off times by which all orders must be ready for despatch. Of course this would have a positive impact on capacity at peak times but it also meant the Group were faced with the challenge of managing this capacity.

The Solution

By implementing DMS CarrierLink, a core module of MetaPack DMS (Delivery Management system), Dixons Group can now work with all UK carriers, using standard processes, for managing and despatching parcels regardless of which carrier is selected. Using DMS CarrierLink, Dixons were able to quickly add an additional carrier in order to augment their supply chain before peak 2004. Dixons now successfully operates with two carriers and is ready to turn on Royal Mail and can easily add a 4th carrier in the near future.

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With DMS CarrierLink, Dixons were able to improve their throughput and capacity in time for peak 2004, and successfully manage a 400% increase in orders

DMS CarrierLink gives Dixons the ability to use standard stationery to produce a packing slip and a transit label from the same printer. The result is a streamlined despatch process and an increase in the number of orders that can be processed per hour.

Dixons have also used DMS CarrierLink to introduce 'Cross Docking' into their supply chain. Cross Docking allows despatch labels to be generated at the point of receipt, meaning fast moving products that arrive in the warehouse can be allocated to customers orders and despatched without being 'put away' first. Only those that are multi line or dated orders are now put away.

With DMS CarrierLink, Dixons is also able to manage capacity by assigning a preference to one carrier. This means the preferred carrier is used until the cut-off time has passed. When this occurs, DMS CarrierLink automatically ensures that all other parcels are despatched using the second carrier who has a later cut-off time. By doing this, Dixons can now maximise both warehouse and delivery throughput to ensure on-time customer delivery.

At the end of each working day, Dixons also uses DMS CarrierLink to pre-advise each carrier of all parcels that they will collect from the warehouse that day. This information is automatically sent to each of the carrier systems and allows the carrier to track every parcel from point of collection through to delivery. It also provides Dixons with daily despatch data on volumes for each of the carrier services, so that Dixons can effectively manage the delivery capacity of each, on a day-to-day basis.

The Result

With DMS CarrierLink, Dixons were able to improve their throughput and capacity in time for peak 2004, and successfully manage a 400% increase in orders. DMS CarrierLink has also helped Dixons ensure business continuity and achieve supply chain excellence:

- **55% of all orders received daily are now 'Cross Docked'**

Being able to select carriers at 2 different points in the order process has reduced the warehouse space that would have been required to cope with increased volumes. It has also meant less time is being spent on placing items in stock and daily pick.

- **Number of parcels being shipped per employee, has increased from 13 to 55 per hour**

At the same time the cost of producing additional inserts and the time it takes to fulfil them is also reduced.

- **Reduced carrier costs**

DMS CarrierLink is an efficient back end solution that minimises failed deliveries. It does this by assigning individual consignments to the best carrier for the job and provides Dixons with the opportunity to drive down the cost of Premium Services by leveraging carriers core competencies: am or pm, Saturday, remote versus city postcodes.

- **Maximum flexibility in the despatch area**

Standard Stationery has meant Dixons packing stations are now more efficient and the floor space required to house individual printers and despatch bays are no longer required.