



ZETES CASE STUDY | Halfords - voice-picking



Halfords speeds up supplies with voice-picking

With around 150 stores, Halfords is one of the most popular stores for bicycle and car accessories in the Netherlands and Belgium. Each branch holds a minimum stock with new articles coming in weekly. So how do you supply these stores efficiently and without errors? Halfords asked Zetes this question and chose to implement Medea Logistics Execution and a voice-controlled order-picking system. From day 1 the benefits exceeded their expectations and the standard delivery check which took place at each store became redundant sooner than anticipated.

Halfords has been active in the Dutch market for thirty-five years. The chain of stores is originally British and came to the Netherlands in 1973 where it grew quickly. In 1986, the thirty store chain was acquired by the Macintosh Retail Group. Now there are 159 in total, including nine in Belgium. Over the years the range of bicycles and bicycle accessories has expanded to include car accessories and other products for road transportation. For example, Halfords is the largest retailer of granny bicycles and kids bikes in the Netherlands. Halfords has always been an innovative store and the fact that they have been the market leader in navigation systems for so long, is proof of this.

14,000 extra customer hours

Halfords' head office and distribution centre are located in Veenendaal. The two warehouses are situated opposite each other, on either side of the road. Halfords' entire product range consisting of 4,200 products is held the warehouses, an area of 7,000 and 6,000 square metres each. The order pickers process more than 2.7 million pick orders annually. Logistics Manager, Marcel van Stuivenberg, was looking for a way to improve the quality of the stores supplies. "My challenge was to increase productivity by 10% and reduce errors by 25%. This would reduce stock holding in the warehouse in Veenendaal and also increase customer availability of products in the stores. I wanted the deliveries to contain as few mistakes as possible so delivery verification in the stores would no longer be necessary. This would give us 14,000 extra hours in which we were available to serve our customers. In other words, more hours to generate extra sales and to provide extra customer service" said van Stuivenberg.

After a site visit to one of Zetes' customers, Halfords was soon convinced. "I had two options," recalls Van Stuivenberg. "Work with barcodes or work with voice. We were familiar with barcodes from working with them in our stores. We also use the codes when storing goods in the warehouse. However, during the reference visit, I saw how Zetes had streamlined order handling with a voice-controlled order-picking system. The order-pickers had their hands free. This was ideal for us."

Everyone was enthusiastic

Robert van Vliet, Account Manager at Zetes, explains: "Halfords had just implemented a new ERP system:





Axapta. If you can combine this with working with real-time data on the shop floor, you can improve your logistics processes considerably. The first step that Halfords wanted to make was the transition to voice order-picking. This allows you to make the whole order collection process paperless. Zetes supplied the voice terminals with headsets and installed a completely new wireless network and a link to Axapta. For the latter, we installed Medea, our Logistics Execution System." While Axapta takes care of the administrative processes, the handling of the order-picking process and the logistics intelligence are handled through Medea. The 18 order-pickers receive their instructions via a linked voice terminal and Medea provides a logical route along the warehouse racks, which are divided into several zones. Was it difficult to switch from paper lists to voice order-picking? Marcel van Stuivenberg: "No, not at all. We have a team of employees, aged between 18 and 63, and everyone is enthusiastic. The instructions from the terminal can be heard very clearly. Our employees receive the tasks, step by step. The main advantage is the fact that their hands and eyes are free."

Only 16 errors

Since Halfords switched to voice order-picking, productivity has increased dramatically. Van Stuivenberg: "My challenge was to increase productivity by 10%. After only four months, we have achieved an increase of between 10% and 15%." Robert van Vliet stresses another achievement: "In that period, the number of delivery mistakes dropped spectacularly. Most Zetes customers experience an average of 25% fewer mistakes but at Halfords it was 75%."

Van Stuivenberg confirms this: "Indeed. Our error margin with paper orders was 1% and now it's only 0.22%. We travelled around the country with our senior managers to see how the stores are supplied. We found just 16 mistakes across all our stores. In fact, incorrect products are no longer delivered. The errors we sometimes make are caused by the wrong packaging units. This improvement was so good that Halfords' management decided to drop freight checks at the stores. And this was much sooner than we expected." Even the performance of holiday workers has improved drastically. "During the Ascension bank holiday we had three holiday workers in the warehouse," says Marcel van Stuivenberg. "Normally we see a peak of delivery errors during these kinds of periods, however this was not the case this time. The holiday workers were up to speed immediately, without problems and without productivity loss."

Fast and target-focussed

During a tour of the warehouses we could see how versatile the system is. It's spring and the cycling season has arrived: it's one of the busiest times of the year for Halfords. Once a week, a special bulk freight goes to the stores with, amongst other items, bicycles, roof luggage carriers and children's toys. However, the mood at the distribution centre remains calm. Order-pickers drive carefully but remain focussed on the forklift trucks.

There's also no stress on the top floor of the warehouse where the small articles are kept. The ladies walk fast and efficiently, doing their rounds. They can process up to 300 items an hour! Medea Logistics Execution provides a detailed and accurate overview of each employee's productivity. "We're not doing anything with this information yet," says Van Stuivenberg. "But we will in the future. Medea provides a number of management tools that we can really use."



No paper

In the meantime, order processing at Halfords is entirely in real time. Previously, data was only processed at night; now it can be adjusted on the fly. This is an important step forwards, however, Halfords has set its sights even higher. Van Stuivenberg: "Goods receipt and storage is still semi-real time as the data is still processed at night. This means that stores may sometimes receive their order too late. We can do urgent orders but these are performed manually."

Robert van Vliet concludes: "The next step at Halfords is the introduction of RF (radio frequency) hand and truck-mounted terminals. These terminals will be linked via Telnet directly to Axapta. With barcodes and scanners, Halfords will be able to process stock details automatically, meaning the stock processing will be completely in real time."

This new development will not be met with resistance by the distribution employees at Halfords. They can already play with the new voice-controlled order-picking system. Van Stuivenberg comments that they are really accustomed to using the new method. "About three weeks ago, the system went down due to a malfunction in the cabled network. The malfunction was soon repaired but there was quite a panic. The order-pickers became quite uneasy and their reaction was unanimous: they never want to return to paper!"