

KIKA optimizes its logistics and services



"We are glad to choose Equinox as our logistic partner".

Introduction

The Lithuanian company "Terra Animalis" more known after brand name KIKA experienced very complicated logistic problems due to no warehouse and distribution net managing and control. The worst situation was in warehouse workers management, picking process with huge mistakes amount and orders shipping. The situation was no longer satisfactory.

Challenges

Management of the company was unsatisfied with logistics process. Labor-intensive distribution process has become a real bottleneck. The shipments had 48 hours delay and the warehouse itself has become a real "black box".

Logistically, the previous situation at KIKA was rather basic: receiving and shipping concentrated in one and the same area, operators relying on their memory allocating the products, and the complete picking process progressed only with the help of paper sheets. The data in financial system didn't match with the situation in warehouse.

Logistically the situation was also very badly influenced with unusual warehouse layout (many areas in separate buildings with different square, height and storage conditions). The picking process demanded a large group of operators, resulting in a situation where it was impossible to do any logistic process.

Industry specific requirements meant the added complication of huge diversity of SKUs, delivery times, date control and human resources.

The situation was becoming really un-standable as KIKA decided to produce forage for small pets and connect distribution warehouse with production storage.

The most sensitive topic became production validity control and warehouse locations.

Executive summary

Objective: Prepare warehouse management system for business growth, increase accuracy and productivity, ensure custom functionality and human resources management.

Solution: Complete WMS with special functionality. Wide range reports for human resource management.

Results: The picking process speeded up to 40 % and this is not the limit. Picking accuracy overcame the expected results. Inventory stock is 100 % in control.

Quick facts

Site	Terra Animalis – KIKA
Location	Kaunas, Lithuania
Industry	Pet care products retailer and production
Warehouse size	5 000 sq.m.
Locations	1 200 pallets
Order lines per day	5 000 to 10 000
Concurrent users	25
System	Equinox Vision WMS, version 5
Functions used	Receiving, system directed putaway, replenishment, RF picking, pick-to-light, consolidation, manifest printing, shipping staging and loading, transaction history.

Concept Definition

In co-operation with KIKA management and logistic people Equinox Europe first defined a new flow throughout the building. The whole warehouse was divided into picking and storage areas, large size goods (such as aquariums, pet caves, etc.) area and bulk storage. Warehouse Management System Vision was combined together with storage equipment. The storage equipment was not renewed, but it was entirely equipped with technology (barcodes, separated special zones, etc.). This realized good come up to any warehouse location and a 100% paperless management of the warehouse for KIKA.

In parallel with this KIKA decided to streamline their order processing. In the new system all orders received

during the day are collected until 5 pm. After 5 pm all the orders are consolidated, picked and shipped before 8 pm.

Together with the new system the objective to enable picking 400 order lines within 4 hours with a reduced and less experienced staff has been defined. During the day a limited number of operators pick the "emergency" orders.

The Solution

The heart of the system is the Equinox Vision WMS, which interfaces with the existing financial system. The system controls all warehouse activities from receiving to shipping loading, including put-away, replenishment, wave planning, picking, and staging.

The warehouse was divided into picking and storage areas, and odd size goods area.

Incoming goods are checked against purchase orders at the receiving area. The system assigns the products to the correct zone for which the goods are linked to pallets with a scanner. Incoming products are put on pallets or carts, each individually bar-coded. Expiry dates and/or lot numbers are captured in the system for product that requires such tracking.

The goods are brought to the required zones - shelving locations of picking zone or rack locations for storage. The 'ABC' analysis is performed frequently to ensure that the right articles are kept in the most easily accessible places. The system ensures that expiry dates and lot numbers are not mixed.



The WMS system employs several picking methods to ensure maximum productivity. In shelving locations pickers pick by RF concurrently. Small special areas are picked with RF as well ensuring entirely paperless process. All locations are equipped with barcodes. Locations can be rearranged to follow changes in order profiles.

The operators pick into a picking cart or a pallet. As soon as a cart or pallet is full it can be closed and dragged to consolidation zone. A new cart/pallet is scanned and the picker continues picking until the order is complete.

The replenishment to the picking shelves is done with the same RF scanners driven by work orders generated by the WMS.



In long term storage and special zones orders are picked with an RF scanner on a pallet. Bulk items are also picked with RF. Other special zones are picked with RF scanners. Cooled items in the low temperature zone are put to containers.



There is a possibility to display a lot of flexible information on RF units. Operators can accept or reject the order, get information about the product, know the working sequence.

Every action is logged and warehouse manager is able to track the labor of all operators and warehouse workers.



All picked pallets/carts are transported to the shipping area. The WMS estimates the filling of each pallet based on product volumetric data. If this is filled below an adjustable level and weight and it is known there are more pallets/carts coming for the same shipment, the shipment is divided into the considerable amount of pallets.

Pallets are further staged by route and shipment using RF terminal to confirm location of each pallet. The pallets are marked with delivery labels. Operator prints the label according the picking information.

Before loading the pallets could be scanned for additional checking once more time.

Benefits and Gains

Terra Animalis - KIKA has reached an accuracy level of over 99,3 %, which is considerably higher than the industry average. At the same time operational

performance increased by 30% during the first months after the WMS VISION installation. The whole achieved result is up to 40%. KIKA picking accuracy overcame the expected results. Inventory stock is 100 % in control. The warehouse managers have full warehouse control. The IT department can concentrate on IT sector problems.

Future possibilities

The project has been implemented successfully and KIKA are enjoying its smooth-running distribution process. However it is a wide range for optimizations in warehouse area and labor management as well. So we have agreed for future cooperation in logistic optimization projects.

KIKA management is opened for implementing new technologies (RFID, Pick2Light) and new logistic solutions (process flow). This is our projects for future.



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