

Fonterra Brands New Zealand: Voice Directed Warehouse Workflows with SAP® Extended Warehouse Management

Fonterra is the world's largest dairy exporter and proudly share their products with more than 140 countries and one billion people every day.

New Zealand is home to their 10,000 farmer shareholders and the base for global operations. With more than 30 manufacturing sites across the country, Fonterra processes about 16 billion litres of milk every year. They export about 95% of their domestic production and at peak they close the door on a container of dairy exports every thirty-seven seconds of each working day.

Fonterra Brands New Zealand is one of the countries largest FMCG supplier's, implementing SAP EWM into a green field project where they combined multiple aged distribution centers and 3rd party warehouses to form a single distribution center near Auckland airport (The Shed) to supply food and beverages across the country and into the Pacific. Decentralized EWM system was implemented and integrated with their already deployed ECC environment. With perishable short shelf life product profiles in multiple temperature zone ranging from frozen, chilled to ambient and in a fast paced 24x7 environment, productivity and efficiency could not have been compromised and that was a main driver to implement voice picking in pick face areas along with RF scanners in the EWM system.

SAP EWM truly complimented Fonterra Brands vision of having single distribution center to serve New Zealand and world with their top line dairy products.



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Company

Fonterra Brands (New Zealand) Ltd

Headquarters

Auckland, New Zealand

Industry

FMCG

Products and Services

Dairy

Employees

1000+

Web Site

<http://iconintegration.co.nz>

Partner

Icon Integration, part of Accenture



IconIntegration

Part of **Accenture**

Objectives

- Accelerate cost savings through consolidation and simplification of the Fonterra Brands New Zealand Supply Chain.
- Simplifying the fragmented inefficient supply chain distribution network by consolidating seven distribution centres into one.
- Implementation live with EWM 9.4 on HANA at “The Shed” in Auckland.
- Enterprise level warehouse automation for handling ambient, chilled, and frozen goods.

Why SAP

- The project was a joint venture between Icon and SAP as the prime partner.

Resolution

- Voice enabled picking operations in a cold storage environment.
- Management of Fonterra Brands business units within the same optimized processes.
- Integration of imported goods and “Farm to Plate” traceability.

Actual Benefits

- Delivering ongoing supply chain cost savings, through stage gates of maturity in the DC operation, consolidation and better utilisation of the Fonterra Brands New Zealand DC network.
- Simplification and standardisation of warehouse and logistics processes.
- Establish a high-performing DC, consistently delivering on key performance targets.
- Consistently able to deliver above 99% case-fill to customers
- Reduced temporary staff by 60% for increased accuracy, efficiency and knowledge retention with skilled permanent staff
- Enablement of a Co-Op based DC supporting multi business units and leveraging their single pick capabilities for added value and optimisation of the Fonterra Supply Chain.

“We are continuing to work with SAP in collaboration to deploy our digital supply chain vision on which an integrated, innovative, industry-leading business can be operated. Implementing EWM has allowed us to consolidate, simplify and optimise our supply chain throughout New Zealand”

Brent Fiecken, National Logistics Manager – The Shed, Fonterra Brands (New Zealand) Ltd



Inventory

99.1% Inventory Record Accuracy (IRA)
99.2% Accuracy of Inventory Value

Optimised

Reduced cost to serve while maintaining high levels of customer performance with increasing agility through EWM workflow

Pick Rates

Higher than ever before with Vocollect Voice doubling on industry standard pick rates and expectations.

