



Warehouse Management

## Lactalis increase warehouse productivity by 32% with door-to-door voice

### About Lactalis

Lactalis Group is a worldwide leader in the dairy industry, with the highest quality standards for all of its products. Established in France in 1933, Lactalis exports to more than 80 countries around the world, providing a range of more than 2,000 products, covering all the dairy product categories - milk, butter, cream, cheeses, and dairy desserts.

### From manual to voice-directed

Previously Lactalis' Australian distribution centres (DCs) in Sydney, Melbourne, Brisbane and Perth had worked with Icon Integration and Honeywell to implement SAP WM and voice-directed picking processes to gain greater operational visibility, control and improve worker productivity.

By implementing a paperless voice picking process, warehouse operators were engaged in a hands-free warehouse picking process. The natural voice system also made it easier for workers to be 'on-boarded' and trained up, especially casuals. This meant workers were able to be productive on the warehouse floor sooner.

The new Honeywell voice solution meant that when an order dropped into the system the operator would pick up the SAP transfer order, then go to the location, confirm with the check-digit that they were at the right location, and then the system would tell them to pick a certain amount of crates or units. From there, the operator would pick the item and the voice system would ask the worker if they picked the right quantity. This process would repeat and continue until the order was complete.

Lactalis quickly saw an increase in warehouse efficiency and productivity with the voice-directed system driven SAP WM solution. Shipments were allocated and sent to several pickers on the floor, allowing picking to be completed by multiple workers simultaneously, which was a big change from the previous process where fulfillment was completed by just one picker.

The new system also enabled Lactalis to have a real-time, two-way data flow between workers on the distribution floor and the WMS. This made it easy for managers to control the flow of tasks, see information, generate reports and get access to comprehensive and accurate insights on their operation – right down to an individual's performance in real time.



“An important part of the success of implementing any new technology is ensuring the whole team is on board, and once our employees realised how much easier and more efficient voice technology made their jobs, they loved it”.

## Significant productivity benefits

When compared to an RF solution, Lactalis has been able to save 18 seconds for every direct worker completed action in the warehouse using the voice solution. In the first 18 months following implementation of voice picking, Lactalis increased worker productivity by 32%, and in the first year reduced its stock loss by AUD\$170,000.

Lactalis has benefitted from the enhanced visibility, efficiency, productivity and accuracy that are delivered by voice technology. The improved speed of its processes has allowed Lactalis to reach its targets, and the solution has impressed management.

“With this latest door-to-door voice deployment, Icon have showcased that standard SAP WM can be massively enhanced with our support and our SAP add-on framework and enhancements, to provide better warehouse control, orchestration, visibility, reporting and more” said Paul Roddis, Icon Integration. “We are proud to have been able to work shoulder to shoulder with Lactalis to help them enhance efficiency, productivity and accuracy with a properly designed and deployed SAP WM solution, as well as position the company to better service its customers”.

“For more than 20 years, Lactalis International has been providing a large range of dairy products, for retail and food service customers in Asia, Africa, Middle East and in the French Overseas Territories,” said Kristian. “Thanks to the implementation of voice technology into picking and all workflows within our DCs, we can ensure that we continue to provide our customers with quality products every time.”

## Continual improvement

While the voice-directed SAP WM module provided greater warehouse visibility and an increase in productivity, Lactalis wanted to further optimise its DC operations by adding voice across all warehouse functions. They saw this as a key opportunity to drive continual improvement and provide higher levels of customer satisfaction.

“We are lifting 18-kilogram crates and moving 5.2 million litres of milk a week, and due to the shelf life of milk, we have only two days to deliver to store from manufacturing,” said Kristian Brennan, National Logistics Optimisation Manager, Lactalis. “We turn over the stock in the whole distribution centre every 24 hours and because of the quick turnover of the products we distribute, it’s imperative that our warehouse runs as effectively as possible in order to deliver perishable dairy goods fresh and on time to our customers”.

“Our DCs are a critical part of the entire Lactalis Australian operations. Finding ways to improve our warehouse operations was the key driver behind upgrading our current processes and supporting systems.”

Icon Integration and Honeywell helped Lactalis increase the benefits of its existing voice technology SAP WM system by expanding implementation of the technology across picking and all workflows within its DC and rolling it out across all facilities in WA, VIC and QLD.

## Door-to-door voice deployment

Lactalis has been able to gain further benefits for its warehouse operations by expanding the use of its existing voice SAP WMS solution.

“We understood the value of voice from our initial roll-out and it has proven itself again and again, right through to us now having voice door-to-door throughout our operation”, said Kristian.

### “Implementation of door-to-door voice has given us a return on investment (ROI) in less than a year and a half”.

**Kristian Brennan**  
National Logistics Optimisation Manager  
Lactalis Australia

Now operating solely on voice technology, Lactalis no longer needs to swap between different technologies, such as RF. Its warehouses have become more fluid, enabling workers to change their tasks without having to leave the warehouse floor and swap out technology.

“The roles of our warehouse employees have changed with the full roll-out of voice technology,” added Kristian. “This has created a more efficient flow within our warehouses, leading to a calmer, less stressful and more productive environment for our employees.