

Overview

Customer: A leading own brand and contract packer of soft drinks, cider and beer with a portfolio that includes bottling and canning for many well-known brands. Their service offering encompasses storage of finished goods for distribution via major supermarkets and the pub and retail trade in the UK and worldwide as well as Customs and Excise business processes for alcohol goods.

Requirement

- 3PL Bonded Warehousing for one of their customers who provide outsourced Sales and Marketing solutions to some of the biggest global brands in the FMCG sector- specifically the requirement was for an HM Revenue & Customs approved wet bond solution to store large volumes of palletized alcoholic beverages.
- A Warehouse Management System capable of managing excise data in compliance with HMRC requirements for deferred payment of excise duty.
- A 3PL logistics solution to include collection of finished product 24/7 from the production site, pallet receipt, storage and delivery via the most appropriate route to market.
- Storage within a BRCGS warehousing environment.
- Very high service KPIs, agility, transparency, EDI and technical capability
- Excellent communication and multi-level relationships with all stakeholders; including the customer, production site and delivery points.

Challenges

Willmotts won this contract through our existing close working relationship with the production site, and our proven drinks logistics' expertise built up from years of working in this market. We are experienced in stock management, in traceability and stock rotation and have EDI systems and integrated barcoding solutions already set up.

The main challenges were for Willmotts to gain HMRC authorisation to operate as a bonded warehouse and to identify where we would have suitable capacity within our warehousing facilities.

Additionally, we would need to set up customised IT solutions, move to a 24/7 operation and ensure warehouse operatives and administrators had specialised training on the storage and reporting for excise goods.

With the arrival of new vehicles coinciding with the commencement of this contract, our transport and pallet network system had sufficient fleet resources to cope with the additional distribution work, however we also needed to apply to become a Tesco Primary Haulier to deliver into Tesco RDC's for this customer.

Approach

The customer was happy with our record of technological capability and consistently high performance levels and was willing to align their move to Willmotts to time with our HMRC approval. Our warehouses are typically maintained at a very high standard to preserve the integrity of goods handled in and out of their locations, but we also took extra care to obtain a very a detailed understanding of requirements and expectations.

We established the level of resources needed to handle existing levels of business, but as bonded warehousing is also frequently used to store and build up stocks in advance of a period of anticipated demand, such as summer or Christmas, we also had to plan to build in scalability and flexibility to allow for peaks and future growth.

Using cloud-based tools, our IT capability allows the automation of many simple processes to reduce administration and the potential errors of manual data input and to provide complete transparency of order or delivery status for our customer. Our Warehouse Management System has full EDI and API functionality and provides detailed inventory management reporting, augmented by an online portal giving the customer real-time stock and movement data. Additionally, our booking interface allowing third party suppliers and container operators to have visibility of available collection and delivery slots and book times at their convenience was available to the customer.

Solution

We were already in the process of acquiring Bonded status as this enquiry developed and our Westfield warehouse in Radstock, Somerset was selected as a storage location, due to its size – over 100,000 sq ft – which enabled us to provide a physical segregation within a racked area for 5,000 pallets as well as virtual recording of each individual racked cell on our Warehouse Management System.

Our WMS system was easily configured to conform to Customs and Excise requirements and to receive data and provide reports as required and our BRCGS certification ensured we had suitable systems in place to manage the work on a day-to-day basis. Bonded warehouses also require very high levels of security which we were well set up to provide with all our warehouses being alarmed with high-tech security systems and 24/7 CCTV.

We had existing EDI links with the production site, so all SSCC data is transmitted directly into our WMS ahead of collection and confirmed by barcode scanning of labels on receipt. The duty status is transferred via EDI in advance, and then double checked with stringent physical checks of alcohol percentages on labels when the pallets arrive, and then cross-referenced on our WMS. Daily stock reports detail all product information, duty status and locations of the product to allow for regular stock reconciliation. When called off for delivery, the duty status is declared with HMRC, and the appropriate procedures followed for either duty paid or duty suspended delivery.

Our warehouse workforce was expanded to include a core number of four on/four off operators to provide 24/7 coverage so we could streamline the collection and receipt of full load end of line collections to match production schedules. Our customer service team has also provided an extra level of monitoring of all network deliveries to ensure that we are aware of the status of every consignment and that we communicate any special requirements to the delivery depots.

Conclusion

Willmotts have invested strongly in resources and expertise for the FMCG sector and the requirements of this contract are extremely well suited to our business. Additionally, we were able to secure HMRC Bonded Warehouse approval and Tesco Primary Haulier status without any delay, adding these to the growing range of customer options within our warehousing and distribution portfolio.

Understanding the effort and commitment customers make to secure this type of business, we have liaised closely on online order receipt and booking in processes, freight presentation and labelling to ensure all deliveries go in successfully.

At a strategic level we are working with our customer on future production and storage requirements so that our companies can continue to engage collaboratively in developing innovative supply chain solutions.