



Future-proofed DC

Bisham Consulting has helped River Island develop a new European Distribution Centre Complex with a high level of resilience to ensure it will accommodate activities planned for at least the next 5 years

With over 60 years of fashion retailing experience, River Island is one of the most successful retailers on the High Street and its continued success will be supported by its brand new European Distribution Centre located in Magna Park, Milton Keynes.

The 45,400 square metre building's graduated blue-grey tinted cladding blends its 15 metre height smartly into the sky though it is actually two separate units interlinked by twin bridges, a solution that gives this retailer the capacity and resilience it needs - vital issues for any retailer.

River Island's continued growth was leading inevitably to space constraints in

the retailer's two existing DCs located in nearby Tongwell - as well as its separate e-commerce fulfilment site. In 2007 the retailer decided to look carefully at its next 10 years of forecasts. "At that stage we needed somebody to evaluate from a scientific point of view, what we believed we needed to meet these forecasts," said Arif Ahmed Logistics Director of River Island. Having considered several consultancy companies, River Island awarded Bisham Consulting the contract to help develop a strategy to address several key issues.

The most prominent was that the retailer's primary DC was built to initially serve around 110 stores yet it now has some 300 stores. Moreover, growth was continuing as River Island was expanding into Europe via franchises and own stores. Risk management around business continuity is another vital issue for River Island, which delivers to all of its stores from the DC including those in Europe. In an environment as competitive as retail, having the ability to ensure



business continuity, even under catastrophic circumstance, is crucial.

One of the first things Bisham Consulting did for River Island was to carry out a review of its existing DCs. This indicated that process improvement benefits alone, would not be large enough to accommodate River Island's growth projections.

Then, working together, the partners devised a new future-proofed European Distribution Centre to replace these facilities yet give the retailer plenty of room for expansion together with complete flexibility to help mitigate risk in its business. Bisham Consulting identified the levels of future proofing required based on River Island's requirements that would accommodate future peaks, which in retail can account for up to 40 per cent of business for a whole year.

Various options were examined with the possibility of relocating some or all of the new DC capacity. However, the team assembled over the years in the Milton Keynes DC is highly valued within the River Island business, and there was a desire to retain the skills and commitment of the team. Consequently, the decision was made to co-locate the 2 new buildings on a

single plot in the Milton Keynes area.

The new DC comprises two, self-contained units linked by twin bridges: The 24,800 square metre DC1 holds River Island's boxed product whilst the hanging garments are housed in the 20,600 square metre DC2. The building includes a three-tier mezzanine, totalling 14,300 square metres.

The scheme almost doubles the space River Island had previously but the retailer also wants lean operations. River Island can be regarded as risk averse so it was no surprise when they accepted a key piece of Bisham Consulting's advice, which was not fundamentally changing processes at the same time as relocating the operation to minimise the risk on migration and thereby ensure business continuity. So, the new DC uses operations familiar to River Island but with throughput improvements from mechanisation where beneficial, such as providing a more 'goods to man' operation in DC1 with the introduction of a conveyor carousel to reduce staff travel and linking the Hanging Garment conveying system through from Goods receiving in DC2 - to Consolidation with Boxed product and Despatch in DC.



SKUs are picked from locations in the racking onto order picking trolleys and then placed into bar-coded totes that travel on a conveyor loop to the appropriate area in despatch determined according to the dynamic routing system in River Island's Warehouse Management Software (WMS).

E-commerce orders are picked in the DC just as if the order was for a normal store. They are scanned at induction station onto a sort conveyor before heading down chutes to be packed separately.

One thing was clearly apparent during Bisham Consulting's initial review of River Island's DCs: the amount of space that could be gained by building a mezzanine structure above the ground floors. The mezzanine in DC1 is located over the marshalling area for buffering store orders brought in on the hanging garment rail from DC2 before despatch. River Island have created sufficient space to extend the mezzanine space out and to an extra floor above, with stubs ready for sprinklers, lighting and other fixings to attach on to if needed.

"Our previous DCs had no flexibility for expanding the mezzanine area," says Arif Ahmed. Here, we have built in resilience, in the event we require expansion in one unit several years ahead of expectation, we will not have to disrupt a live operation in full swing and affect service levels."

DC2 is dedicated to the storage of the hanging garments, which are sorted and stored on a hanging garment rail system on a three level mezzanine over the Goods In area.

The manual overhead rail system gives River Island an efficient solution for storing and moving hanging garments, which removes the double handling that occurred in the previous facility as there is no need

for staff to take anything off or carry anything around. Bisham Consulting looked at the option of automating this system, costed it and even planned it into the design, giving River Island the option of a straightforward switch when the business case comes to justify it.

In DC2, unlike DC1, the warehouse beyond the mezzanine is empty of racking. Here, River Island's investment in space allows for expansion of the multi-tier hanging garment storage and contingency space for River Island in the event of a catastrophe halting operations in DC1. "It's all about how quickly I can continue my business," says Ahmed. "I can erect that building again in six months during which time I can easily maintain business from here. We take continuity of business seriously and this is reflected in the investment of both money and time."

And just as DC2 can take an emergency boxed operation, DC1 can hold, if needed, about two thirds of the full capacity of DC2.

River Island works constantly towards leaner supply chain operations and the new DC has 'decoupling' points allowing River Island to operate from just one unit if, in the years to come, the supply chain is simplified to a point where the retailer decides it no longer requires the other. Separate power supplies, utilities, security desks, etc installed in each self-contained unit, gives River Island the flexibility to sell or lease either one in the future if required.

With occupation commencing in January 2011, River Island will close down its smaller existing DC in March and the larger one at the end of May, along with its e-commerce fulfilment site.

"We were looking for somebody to say: 'we can see what you want to achieve here and we can get you there more efficiently or more effectively than before'" says Ahmed. Bisham Consulting has been a reassuring knowledge base – enabling validation of our beliefs and strategies and instilling confidence; the Google.com of consultancy"

The Bisham Consulting team was led by company director Neil Middleton. A pragmatic and flexible response based on its technical skills and operational experience characterised Bisham's approach to the River Island project.

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