



GROENEWOUT

## Groenewout helps V&D to design a new Distribution Strategy

An interview with Mr Olav Vissers, Senior Manager Logistics for V&D Warenhuizen B.V. by Tjaart Theron

**V&D asked Groenewout for assistance with regard to the realization of a Central Distribution Centre for the company. V&D is a Dutch chain of department stores founded in 1887, which now has more than 60 branches throughout the Netherlands. All V&D stores sell designer clothing & shoes, jewellery, cosmetics, a wide selection of books, CD & DVD home entertainment, electrical goods, stationery, cards & posters, furniture, domestic goods and a selection of delicatessen. Groenewout successfully produced a design geared to serve both V&D's ambitious growth strategy and its green agenda.**

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### Groenewout does feasibility study for new Central Distribution Centre



"In 2007", says Olav Vissers, Senior Manager Logistics for V&D, "we had the first contact with Groenewout. At the time, we requested Groenewout to provide advice on what the implications would be of creating a new Central Distribution Centre (CDC) for V&D". Groenewout was asked to do a feasibility study and translate this into detailed engineering for a new CDC. The consultants of Groenewout defined the logistics concept and key elements (processes, storage and handling methods, operational costs and investment estimates) for the new CDC.

"However, when we realized what the cost would be, we decided not to continue with the project", says Vissers.

"Then in 2008, we re-started the project" says Vissers. "The issue now was to find a way to fit V&D's logistics to its ambitious future growth strategy. We had a study done (separately from Groenewout) to investigate three alternatives: whether we should continue with our current approach, whether we should develop a new central distribution centre or whether we should outsource our logistics (including both warehousing and transportation). It soon became clear that it would be cheaper to continue handling the logistics ourselves.

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On this basis, V&D came up with the concept for a new distribution structure. The idea entailed the following elements:

1. A Central Distribution Centre at a new location in the vicinity of Utrecht that would not be for storage of goods but for the direct re-distribution of large-volume activity streams to V&D shops.
2. A storage and stock Distribution Centre (DC) in Aduard for the storage of goods.

### **Impressed by Groenewout's hands-on approach and understanding of the retail sector**

"Towards the end of 2008 we again approached the experts of Groenewout", says Vissers. "We had been impressed by the hands-on approach of Groenewout. Because of their earlier work with us, they were able to very quickly pick up the thread again. He continues: "I got to know Groenewout as a company that clearly had an understanding of the retail sector and also had sufficient resources to be able to make very rigorous and good analyses. They were able to reflect our needs and point out problem areas – and ultimately could translate what we had in mind into a successful solution.

# V&D

"Vissers explains the process: "Groenewout did a feasibility study to check the viability of the new distribution structure. The people from Groenewout then used the new distribution structure to again check the design of the new CDC and the changes that had to be made to the DC in Aduard." He continues: "This included functional process descriptions, stock heights, the sub-division of the storage spaces and storage and material handling methods. In addition, Groenewout defined which goods and processes should be stored and handled in Utrecht and which should be done from Aduard". After completing this feasibility study check, Groenewout produced the Set of Requirements for the new CDC that had to be built and for the renovations required for the Aduard DC".

### **Groenewout's design details for the new CDC**

The details of the new CDC design include large flexible sorting capacity with 4 different sorting facilities for hanging goods, two for horizontal goods and one for storage bins. The new CDC has an area of 30.000 m<sup>2</sup> that has a

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concrete construction floor across almost the entire surface. It also has a logistics construction floor. In addition, in designing the set of requirements, Groenewout also came up with a sustainable design by including, among other, technical measures (energy-saving armatures and lamps and a heat-recovery system).

### **New distribution system offers many strategic advantages**

Vissers concludes by stating that the work of Groenewout in the project has now been completed. V&D has pushed forward the deadline for the completion of the CDC in view of the current market developments. Vissers proudly explains: "The new distribution set-up will offer many strategic advantages. In the first place, it cuts transportation needs to one third of what we used before – which is very important in terms of our green agenda. Currently, we do multiple daily deliveries to each shop and in future this will be cut to a single delivery per shop per day. The existing facilities are very out-dated. The new investment ensures we will have much more flexibility in the future. In addition, e-commerce and the role of our web shop is becoming increasingly important and in this way we also tailor our logistics to this growing need."

### **By Tjaart Theron**

*Tjaart Theron was born in South Africa and has lived in the Netherlands since 1985. He completed a Masters in Economics at the Institute of Social Sciences in The Hague and his experience includes filmmaking and consultancy work in the NGO sector. He has worked as English native speaker copywriter for large international companies such as Shell, Canon and Philips and provides media and PR training to higher-level executives of multinational companies*

### **More information**

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