



GROENEWOUT

Optimal use of space creates cost-efficient operation for Decowraps

Interview with Kees van de Lagemaat, Director of Global Operations Decowraps

Decowraps

Ten years after entering Europe, Decowraps has opened a warehouse of its own. The sustainable 3,200m² building on the Greenpark Aalsmeer site houses a highly efficient narrow-aisle warehouse with 6,000 storage locations. Thanks to Groenewout's thorough analysis, Decowraps has been able to make optimal use of the available space. "For this warehouse, we analyzed scenarios based on a 20-year planning horizon," says Kees van de Lagemaat, Director of Global Operations at Decowraps.



Kees van de Lagemaat

The foundation of Decowraps in 1999 marked the start of a classic American success story. The company rapidly evolved from a one-man Miami-based operation to the USA's biggest supplier of packaging for plants and flowers. And when Decowraps expanded into Europe in 2007, history repeated itself; what began as one salesperson traveling the length and breadth of the Netherlands to visit suppliers of plants and flowers has grown into a company with 25 employees and a firm foothold in the European market. The construction of the company's own building, which has been operational since summer 2017, stands testimony to its strong position. The new premises are located in Aalsmeer, which Kees van de Lagemaat describes as the epicenter of the Decowraps operation. "We have customers all over Europe, but the physical goods flows are concentrated around the flower auctions in Aalsmeer and Rijnsburg. Two years ago we purchased an 8,000m² parcel of land in a prime location on the Greenpark Aalsmeer site with an option for an extra 2,000m²," explains Decowraps' Director of Global Operations.

All in one place

The opening of the 4,000m² facility has brought the Decowraps European offices and warehouse together in one place for the first time. "Until now, we'd always outsourced our European logistics activities to an external service provider. When we entered this market a decade ago that was the logical choice because it gave us flexibility. Now that we have sufficient scale, we're keen to invest in our own logistics operation. We believe that a warehouse which is fully aligned with our operation will improve our cost efficiency, plus we're saving extra costs on transport between our offices and the warehouse," comments Van de Lagemaat.

The company's investment in its own office building and warehouse demonstrates its long-term vision. The sustainable building, which is certified with the BREEAM 'excellent' rating, is designed for low energy consumption and a healthy indoor climate. "Making the investment ourselves generates the biggest cost benefits in the long term. Before construction work started, we even analyzed scenarios based on a 20-year planning horizon. According to our estimates, the new 3,200m² warehouse will meet our needs for the next five years. Then we can move into phase two, which comprises an 800m² extension. When we outgrow that warehouse – which we expect to take around ten year – we will initiate phase three, making use of our option on the adjacent 2,000m² parcel of land," states Van de Lagemaat.

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Not a standard warehouse

Decowraps enlisted Groenewout's help to design the warehouse. How big should the warehouse be? How many storage locations are required? And should the warehouse have wide aisles or narrow aisles? "Groenewout helped us to answer all those questions and more," recalls Van de Lagemaat, who knew the consultancy firm through working for his previous employer.

First of all, Groenewout prepared an overview of the existing logistics processes. The next step was to analyze the data, which included looking at factors like the size of the product range and the various goods flows. One important design parameter was the fact that, on average, fewer than two pallets are stored per stock keeping unit (SKU). "In other words, almost every pallet contains a different item. So a standard warehouse with picking locations on the ground floor and bulk locations above wouldn't meet our needs. We required a warehouse in which every storage location can serve as a picking location," explains Van de Lagemaat.

Optimal use of space

Ultimately, they decided to build a narrow-aisle warehouse, partly also because of the relatively high price of land in Aalsmeer. Decowraps purchased a combi truck for storing pallets and a high-level order picker for order picking. Van de Lagemaat: "Although narrow-aisle warehouses are a little less efficient than warehouses with wide aisles and reach trucks, that's compensated by the fact that we're now making better use of the available space. And several other recommendations by Groenewout have helped us to improve things even further. For example, we now differentiate between 'high' and 'low' storage locations, because not all the pallets we receive are two meters in height; some are only 1.2 meters tall. In addition, we've created small shelf locations for our slow-movers for which we only hold a couple of boxes of stock per SKU. In the old warehouse, those few boxes used to take up a complete pallet location. Thanks to those recommendations, we now have a total of 6,000 storage locations."

Once the optimal warehouse layout had been agreed, Groenewout translated the design into a program of requirements – which resulted in a 40-page document. "That's all in a day's work for Groenewout. They know exactly what has to be included in a program of requirements. As a result, it contained lots of things that we hadn't thought of ourselves. That saved us a lot of extra, unforeseen work and hence extra costs," explains Van de Lagemaat.

Uniform workflow worldwide

After the construction work had got underway in early 2017, Decowraps approached Groenewout with a new project: the optimal design of the workflow within the warehouse. "We're keen to define and document the correct working procedures – not only in the new warehouse in Aalsmeer, but also in our existing warehouses in Miami and Bogota (Colombia). Groenewout started by gaining insight into the current approach in each of the three warehouses by investigating the order-to-cash and purchase-to-pay cycles. That was no easy task, not least because our people in Colombia don't speak very good English so we had to enlist the help of a local consultancy firm. We then went through several iterations to arrive at the desired workflows," says Van de Lagemaat.

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Formalizing a uniform workflow has enabled Decowraps to purchase a new warehouse management system (WMS) that can be used in all three of its facilities. "That would never have been possible without this project. If we'd started by implementing a WMS straightaway, we would have ended up with three completely different logistics operations controlled by three different systems," states Van de Lagemaat. He continues by explaining that – after careful consideration – Decowraps selected the Reply system. "It's a cloud-based system of Italian origin. We were keen to work in the cloud because we want to maintain our flat organizational hierarchy without needing a large IT department."

Confidence and certainty

Decowraps is satisfied with the results of its partnership with Groenewout. "Groenewout's top-class analysis confirmed our suspicions about the suboptimal workflow and design of our previous warehouse. The people from Groenewout gave us the confidence to make some tough decisions with a large degree of certainty. We already knew that it wasn't ideal to have some pallet locations taken up by just a couple of boxes, but we weren't sure whether it was a fundamental problem or not."

Decowraps also contacted a few other consultancy firms about drawing up the program of requirements and standardizing the workflow, but decided to go with Groenewout again. Van de Lagemaat: "At Groenewout they have so much knowledge and experience, and as an added bonus they are very honest when it comes to estimating the consultancy costs. At the end of the project, the actual price matched their initial cost indication – and we appreciate things like that."

Text by Marcel te Lindert

Marcel te Lindert is a journalist with over 13 years of experience in logistics. He was editor-in-chief of the Dutch magazines Transport+Opslag and Logistiek. Nowadays he works freelance for trade magazines including Supply Chain Magazine and Logistiek Totaal.

More information

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