

Lean supply chain



The Unipart Way

An organisation leading the way in the application of lean principles to the supply chain and delivering tangible results, is Unipart Logistics. Over many years, The Unipart Group has developed a philosophy and way of working called the 'Unipart Way'. This way of working is underpinned by a set of tools and techniques, and enables Unipart Logistics to create and sustain a culture of continuous improvement within its own business, and within the operations managed on behalf of clients.

Great emphasis is placed on the use of visual management, for example in the Communication Cells. The 'Comm Cell' is the place where teams meet daily to review performance against the key performance indicators from the customer's policy deployment matrix. Areas for improvement are identified and addressed using the tools and techniques of the Unipart Way. This inspires continuous improvement in a way which helps improve performance for customers faster than anybody else, and contributes to a more interesting working life.

Comm Cells are a key component in the management of operations for all Unipart Logistics' clients and create a flexible and responsive approach to the management of variability

and fluctuations in demand throughout the supply chain. The 300k sq ft facility managed for Homebase, for example, operates 24 hours a day, 7 days a week, and handles a core base of year round products as well as seasonal items.

One of the characteristics of seasonal products is the need for rapid reaction to demand. Products such as air conditioners have very sharp, short term peaks dependent on the weather, requiring considerable flexibility from the Unipart Logistics operation, including adaptable labour and resources. "One unique aspect of Unipart Logistics is that they have brought Lean thinking to the warehouse environment", comments Richard Morgan, Supply Chain Director for Homebase.

The advantages of the Unipart Logistics approach, including flexible warehouse space and a committed and adaptable workforce are also experienced by Halfords, for whom Unipart Logistics operates a 220k sq ft operation at the Cowley distribution centre. "The main benefit is the ability to flex space according to the ebbs and flows of business activity", comments Steve Whyman, Supply Chain Director at Halfords. Every member of staff involved in the Halfords contract uses the Unipart Way tools and techniques on a daily basis, participating in

creative problem solving and improvement circles.

Continuing to distribute learning and lean skills throughout the organisation is a vital component of the cultural shift that is evident within Unipart Logistics. To ensure that all employees continue to improve their lean skills and develop a deep understanding of the Unipart Way, every Unipart Logistics facility has a 'Faculty on the Floor'. These faculties are where teams learn how to use and implement the tools and techniques of the Unipart Way, access best practice developed elsewhere and coach others in their use. The location of each Faculty on the Floor, always within the distribution centre itself, ensures that employees can 'learn at 10 and do at 11.'

The Unipart Group began its lean journey some 20 years ago having taken inspiration from Toyota and Honda. Speaking at the recent Unipart Logistics Lean Summit, John Neill, Group Chief Executive said, "a lean journey requires a deep and pervasive cultural change. When people ask what retail organisations can learn from Toyota, they immediately expect to hear about the tools and techniques applied outside of manufacturing. In fact, it isn't simply about tools and techniques, it's mainly about philosophy and culture."

Adding value to deliveries

For many people shopping online the main differentiator between e-retailers is price, but this is changing as consumers' expectations of customer service rises. One area in which e-retailers can make a difference to customers' perceptions of service is adding value to the home delivery. Emma Herrod talks to delivery companies to find out what level of service can be added without affecting the main goal of achieving first time, on schedule delivery.



Compared to high street retailing, online retailing is still in its infancy. However, it is likely that the fortunes of e-retailing will follow a similar path to its older relative. Currently, the biggest online differentiator is price but as the industry matures and the percentage of online orders increases so too has consumers' expectations of the industry. In the past shoppers would put up with slow-loading pages or missing information if the price for the goods was low enough: this is now changing as

shoppers expect the same satisfying shopping experience across all channels.

On the high street, their experience often relates to how they are treated in a shop, but the absence of human contact means that customer service for online retailers will inevitably link back to how quickly and efficiently goods are received – whether they are delivered on time, conveniently and in one piece.

“As customer service becomes a greater priority for internet retailers, so will the demands for more innovative

ways to improve the customer delivery experience,” comments Mike Harrison, Integration Programme Director for City Link. “One thing is for sure, customers who have sought out the best price online will not be prepared to pay extra for a timed delivery slot or an added value delivery service unless their purchase has been of particularly high value. Therefore, it is up to the express delivery sector and internet retailers to work together to find a solution that will both meet customer expectations and make good business sense.”