

# Flexible Logistics Supports Business Growth



Introducing total flexibility into supply chain operations without increasing the logistics overhead has been achieved for Halfords, the UK's leading auto, leisure and cycling products retailer; with an innovative

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mix of outsourced logistics and their own operations.

Realising their existing two distribution centres could not handle an increasing throughput, in 2002 the decision was made to partner

with Unipart Logistics in order to tap into their resources of flexible warehouse space and a committed and adaptable workforce.

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activity,” commented Steve Whyman, supply chain director at Halfords.

Each distribution centre handles separate types of products. Cowley manages the flow of small parts and general products, ranging from faster moving products such as mobile phone accessories, through to car child seats and roof boxes.

Seasonality can affect the product range; large and bulky roof boxes are mainly a summer item. Winter goods include de-icer; where demand can be unpredictable. “A frost could happen any time between November and March,” commented Whyman. “Yet the business is able to respond!”

Such is the flexibility of the outsourced service provided by Unipart Logistics that, starting from a base operation of 77,000 sq ft, Halfords has increased this to 220,000 sq ft. Initially, Cowley supplied

## halfords

### Industry Sector

Leisure retail

### Issue

Increasing sales and product range, outgrowing current infrastructure

### Solution

Additional NDC service delivering direct to stores

### Benefits

Flexible space and resources over wide product range, reduced costs, partnership for implementation of WMS

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the other distribution centres, but is now a front line operation delivering direct to over 400 stores. This adaptability, which can include changes on a day-to-day basis, includes staff and resources, giving Halfords the ultimate flexibility.



Products arrive at Cowley from the UK, Europe and Far East. Those not already on pallets are palletised, placed in stillages if larger products, or loaded into totes if they are fast moving small items.

A variety of storage types includes block stack, pallet racking, a secure area for hazardous products such as paints, and a dynamic area of live storage and conveyors for small parts picking. Products are picked throughout the day from individual areas in the warehouse and marshalled at goods out, mainly in roll cages or on pallets, with loading of up to 50 vehicles per day destined for Halfords stores.

In order to integrate into the overall logistics operation, the Halfords

warehouse management system was installed at Cowley by Unipart Logistics. "Halfords had a good template for implementation," stated Whyman. "There was an overall programme and joint teams were set up for installation, training and

change management. The new system went in very successfully, it was a joint project success."

"Unipart Logistics has a dynamic ability to provide flexibility to operations and is an important part of our team," added Whyman. "We regard the Unipart Logistics staff as colleagues working in our network, handling our products."

A culture of continuing improvement and flexibility is driven by the Unipart Way. This comprises a unique set of tools and techniques which are used

on a daily basis at all levels. Every member of staff involved on the Halfords contract participates in creative problem solving and improvement circles.

From 2005 to 2006, improvements have included a 13% increase in lines per man hour, 6.2% reduction in cost per item, plus a further 59% reduction in picking errors and 76% reduction in scratches from the

already low levels.

"The flexibility provided by Unipart Logistics allows Halfords to grow the business and add new product ranges," stated Whyman. "We have achieved this by partnering with a company that provides us with operational integrity

and control of costs, allowing us to maximise usage of space."

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