

The integration of IT and system technology

JYSK: modern IT for e-commerce

Snapshot

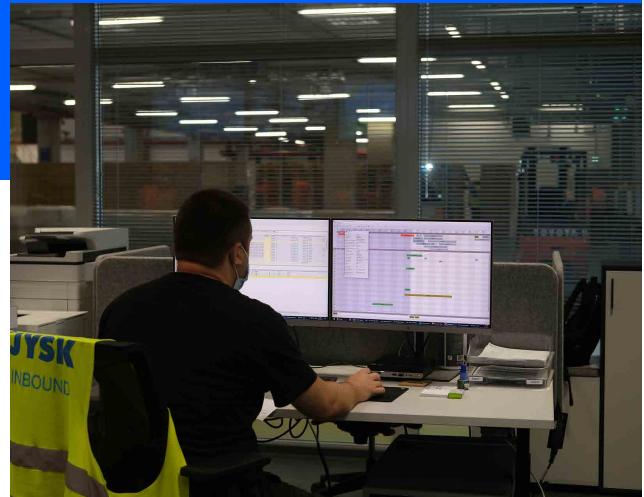
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|---------------------|--|
| Company | JYSK |
| Industry | E-commerce, Store deliveries |
| Number of Employees | 24,000 |
| Warehouse Size | 300,000 m ² |
| Körber Competency | Warehouse process consulting: fully integrated SAP EWM software |
| Solution(s) | SAP EWM, SAP EWM-MFS |

Complexity

Distribution to online customers and JYSK's own stores.

Best practice

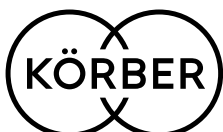
Flexible and fully scalable omni-channel SAP EWM software development of a template for JYSK's Distribution Centers.



A new era

Recently, the Distribution Center Bozhurishte (DCB) put into operation by Körber began supplying items from Bulgaria not only to JYSK's own stores, but also to its online customers. Before September 2020, ordering from JYSK's online store meant that items for customers in Bulgaria, Greece, Serbia, Bosnia and Herzegovina and Romania were picked in Radomsko, Poland, and then shipped by carriers. This process was overly complicated. It became clear that integrated processes for online retail in Southeast Europe would provide considerable benefits. Back in 2016, JYSK met with Körber to collaborate on improving services for customers from Bulgaria, Romania and the Western Balkans.

Afterwards, construction of the new logistics center started at the 300,000 m² site. In 2018, it went live with software and automation solutions from Körber. Not long ago, additional functions for processing online business were added. Now JYSK can offer its customers a much greener service supported and optimized by replenishment and picking processes that were designed for and seamlessly integrated with DCB's SAP EWM by Körber.



The challenge

A project of this size is always challenging, but the COVID-19 pandemic resulted in completely new challenges to tackle in 2020. For example, all milestones were implemented fully remotely for the first time in March 2020. Despite this, the transition went smoothly for both project teams and did not negatively affect the project. This meant that the planned go-live for “Black Friday” 2020 was completed without a hitch.

At the beginning of the project, it was not even possible to quantify the expected number of shipments for customers who ordered online. Now, more information is available: At the very beginning, there were only about 100 deliveries per day with an average of 150 picks on normal days. During Black Week, these numbers increased to over 1,500 deliveries per day with over 3,500 picks per day on average. On the Monday after Black Friday, pickers achieved a new record of 5,663 picks.

The solution

It was implemented using SAP EWM 9.4 and is meanwhile upgraded to the latest 9.5 version. The software solution provides JYSK with an integrated, highly flexible warehouse management system that efficiently controls all goods movements, thereby significantly reducing delivery times in the Balkans. Transport routes will be shortened by approximately 10 million kilometers per year, even though the number of stores in Bulgaria doubled last year and the company is expected to grow even further.

During the project, Körber made use of its extensive experience in implementing SAP EWM and SAP EWM MFS for e-commerce. JYSK benefits from dynamic goods distribution in the picking area, suitable replenishment strategies, and optimal transport processing and resource planning, all of which Körber integrated with the flexible system architecture of SAP EWM.

“Our solutions provide a high degree of planning security while ensuring flexibility.”

Sebastian Schiller

Business Unit Manager of SAP Logistics Systems at Körber

The result

Compared to JYSK’s other three DCs, one benefit is the seamless integration of delivery to online customers and stores. Interwoven replenishment strategies and optimized picking are indispensable due to the large variety of products, ranging from Christmas tree ornaments to dining tables, towels, wardrobes, spare parts for door hinges and garden chairs.

The e-commerce related technical details of DCB are also worth mentioning. Items are normally delivered to stores in units (e.g. a pack of 10 towels), but online customers can order items individually. For this purpose, a separate storage area was set up. Here, items are picked from the outer packaging for multiple customers. These optimized, cross-delivery picking routes are created by an algorithm and assigned to preconfigured trollies.

Of course, flexibility is a top priority. The customer can receive a large order by carrier with many packages or by mail. Of course, it is also possible to pick up the items in the store free of charge (OOPUS, i.e. order online and pick up in store). To this end, the consolidation process must be closely interlinked with the store’s replenishment process. It was made possible thanks to Körber’s integrative software solution and decades of IT experience.

Since the go-live in time for Black Friday 2020, Körber has been providing support services at the Bozhurishte site. During this time, Körber is planning to roll out IT features designed for the multichannel business of the new distribution center in Ecser, Hungary.

