

Case Study

The Reject Shop
Tullamarine, Australia

Batch picking Put process with voice technology

In 2007, Dematic supported The Reject Shop in the design of its new distribution center at Tullamarine, Victoria. The DC is one of the first in the world to use Voice Picking technology in a batch picking Put process for high volume retail distribution. This unique approach to order fulfillment has delivered excellent productivity gains, improved in accuracy and OH&S, and given The Reject Shop the capacity to increase throughput to support its strong growth plans over the next five years.



The Challenge

Since it was launched in 1981, The Reject Shop has grown to become one of the market leaders in the competitive discount variety retail market.

From early days with one shop in Melbourne, the business has grown to number 123 stores, located mostly on the east coast of Australia.

Because The Reject Shop had grown in an ad hoc manner, so too had the company's approach to logistics.

Our Solution

Step by Step

After building a team of logistics specialists, The Reject Shop set to working on ways to improve its logistics performance as soon as possible, working concurrently on the new development and rolling out temporary cost-effective distribution strategies. Working out of some of the most outdated distribution facilities in the country, the company couldn't wait until the new DC came on line before making improvements.

Testing the Concept

The Reject Shop worked closely with Dematic to develop a Voice Picking system that matched their particular order processing requirements. The fact that people could work with both hands and eyes-free was seen as a big advantage, compared to paper-based order picking.

"It was great to be able to sit down with Dematic and a clean sheet of paper and design a totally new DC that would meet our needs for the short and medium-term."

Phil Becket,
General Manager,
Logistics, The Reject Shop

The company knew Voice Picking would make a big difference to its operation but were not sure to what extent. Because of this they decided to implement 12 voice terminals in the EPC (Events Processing Center) which supplied The Reject Shop stores with promotional stock for events like Valentines, Mother's and Father's Days and special catalogue promotions.



The Reject Shop sat down with Dematic and a clean sheet of paper and designed a totally new DC that would meet its needs for the short and medium-term. Variety retail distribution presents its own unique set of challenges. Firstly, there is the core SKUs which are always available. Then there are the promotional products. The Reject Shop publishes about ten major catalogues each year and, each time one hits the public, the business has to be capable of meeting the huge surge in demand that follows a catalogue release. A key design decision was the method to use to pick its standard store orders.

Unique approach to order fulfillment
The Reject Shop is one of the first retailers in the world to use hands-free, eye-free Voice Picking in a 'put' application. Instead of picking orders discretely, they pick all of the products for all of the standard store orders and "put" the products for all centrally allocated merchandise to the orders. In traditional retail DCs, the typical practice is to assemble a complete store order at a time.

At The Reject Shop, they have turned that principle on its head and instead of carting the whole order around the DC

and picking products as they pass them, they pick all of a single product for all of the orders at the one time. For example, if they are processing orders for 123 stores, they may require four pallets of chocolate bars to allocate the required stock for each store.

The Voice Picking system will instruct the pickers to retrieve four pallets from bulk reserve, and those pallets are then taken to the put zone.

"Using Voice Picking as the enabler for our 'Put' picking process has delivered excellent productivity gains, improved accuracy, reduced costs and increased throughput."

Phil Becket,
General Manager
Logistics, The Reject Shop

Building pallets

Because the pallets still have to be manually built, The Reject Shop tries to schedule the goods for orders in a sequence that results with the heaviest products on the base of the pallet and the lightest at the top.

However, because this can be a difficult process to control accurately, The Reject

Shop has made building pallets easier for the order pickers by giving them two pallets onto which they can put stock for store orders.

This enables them to take more care during the building of the pallets, ensuring safe, stable pallets for handling and minimizing product damage during transport.

As each item is 'put' to a pallet, the action is recorded by Dematic's PickDirector order management system, providing The Reject Shop with full traceability of which products were put to which pallet. The ability to tell which products are on which pallet, is important for the stores. If a store order comprises more pallets than they can accept at one time, knowing which products are on which pallets lets the store manager decide those they would like to receive as a priority.

Customer Benefits

- Picking speeds and accuracy assisted by Voice Picking and the elimination of paper
 - The implementation of a high productivity voice-directed put system for the majority of store orders
 - More productive work flows arising from better configured layout
 - Special attention to workplace culture, including OH&S
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