# Case Study: Huhtamaki

SNAPFULFIL
Warehouse Management Systems




Huhtamaki

**Location:** Gosport, UK
**Warehouse size:** 210,000 sq ft
**Operation:** Raw materials and palletised finished goods
**No. of users:** 40
**Shipping profile:** Various – from full vehicles to single pallet/case
**Length of implementation:** 6 months
**Integration requirements:** BPCS ERP and Roadrunner TPS

## Background

**Huhtamaki is a Finnish company, with a turnover last year in excess of €2bn globally. The company's Foodservice segment specialises in the manufacture and distribution of a wide range of paper and plastic products for use by quick service restaurants, contract caterers, distributors, vending operators and beverage brands.**

With customers including some of the world's best known food and drink to go brands, one in every five people around the world buys a product with Huhtamaki's packaging every week!

The company's Gosport plant manufactures a range of around core 300 SKUs, along with 1,000s of customised products which are printed to meet customers' specific requirements. The company operates 210,000 sq ft of raw materials and finished goods storage across three warehouses.





## The challenge

Huhtamaki employed a basic system to manage inventory in its warehouses, along with a paper picking process. In many cases however, operators would pick from the first location containing the product detailed on the pick slip, rather than the location specified by the system, effectively causing stock to become invisible.

The speed of the operation was also dictated by the pace of the staff which meant that it often struggled to complete all of the tasks required to get orders out on time and in full.

Huhtamaki therefore took the decision to look for a warehouse management system which would significantly improve both inventory accuracy and productivity in its warehousing operations.

> ***"With around £500,000 worth of lost stock in the warehouses and three shifts working seven days a week and still not hitting our KPIs, we had an expensive problem."***
>
> **Gary Owen, Head of Supply Chain**

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## The solution

Having experienced the lack of functionality associated with an integrated ERP WMS and also witnessed the major difficulties and costs associated with the implementation of an on-premise WMS in previous roles, Gary had a clear idea of what he *didn't* want. With rich, Tier 1 functionality, rapid implementation methodology and its unique, No Capex business model, Snapfulfil offered a best-of-both-worlds alternative.

Gary said: *"We met Snapfulfil at a trade show and were immediately impressed, both by the software and the people. I'd seen first-hand how painful and expensive it can be to implement one of the big WMS' and, even if I'd wanted to, getting approval for the capital expenditure to acquire a traditional software licence would have been difficult due to the lengthy payback period.*

*"Snapfulfil's No Capex model was extremely attractive and has allowed us to implement a best of breed WMS quickly, without headaches or heavy upfront investment."*




## The implementation

Huhtamaki chose not to conduct a full inventory count before implementing the system and it therefore took six months before Snapfulfil was able to take full control of the warehouse operations.

Gary Owen said:

*"Due to the configuration of the warehouses, we wanted to avoid the cost and disruption of a full stock take and took the decision to work through issues caused by inaccuracies in our inventory as they arose.*

*"From Snapfulfil's perspective, this wasn't ideal, however, they were supportive of our decision and worked with us during the early months to phase in the new system while we shipped our old inventory."*




## The benefits

Since implementing Snapfulfil, Huhtamaki have experienced a ~30% increase in productivity, allowing them to reduce headcount by 20% and completely removing the need for a night shift.

Gary says: *"The pace of the operation is now dictated by the system rather than the people and the knowledge that Snapfulfil not only directs, but also records, every movement also helps keep our operatives efficient."*

Performance against the OTIF KPI has improved by around 10%. Snapfulfil is also helping Huhtamaki to squeeze maximum utilisation out of its warehousing space which can run at up to 98% of total capacity.

Other benefits include:

- **99% reduction in stock losses**
- **33% shift personnel reduction**

As a result, net savings in Year 1 after Snapfulfil subscription costs were £84,000 and total net returns in Years 2 and 3 exceeded £240,000.

The system also provides full traceability from raw materials right through to the end customer, an important factor in Huhtamaki's BRC accreditation (a requirement for companies operating in the food & beverage supply chain) and also ensures that the company performs consistently well in customer audits.

Gary concludes: *"As well as the operational improvements the system has delivered, we have an excellent relationship with the people at Snapfulfil – they are easy to deal with and make us feel valued as a customer - an important aspect of any successful long-term partnership."*

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