



"Had it not been for our relationship with SCJ holding our hand and guiding us, we would never have reached our WMS goals. SCJ acted as a partner; they wanted us to succeed so they could succeed. At this point, we are like brothers."

- Mohammed Ebrahim, Operations Director

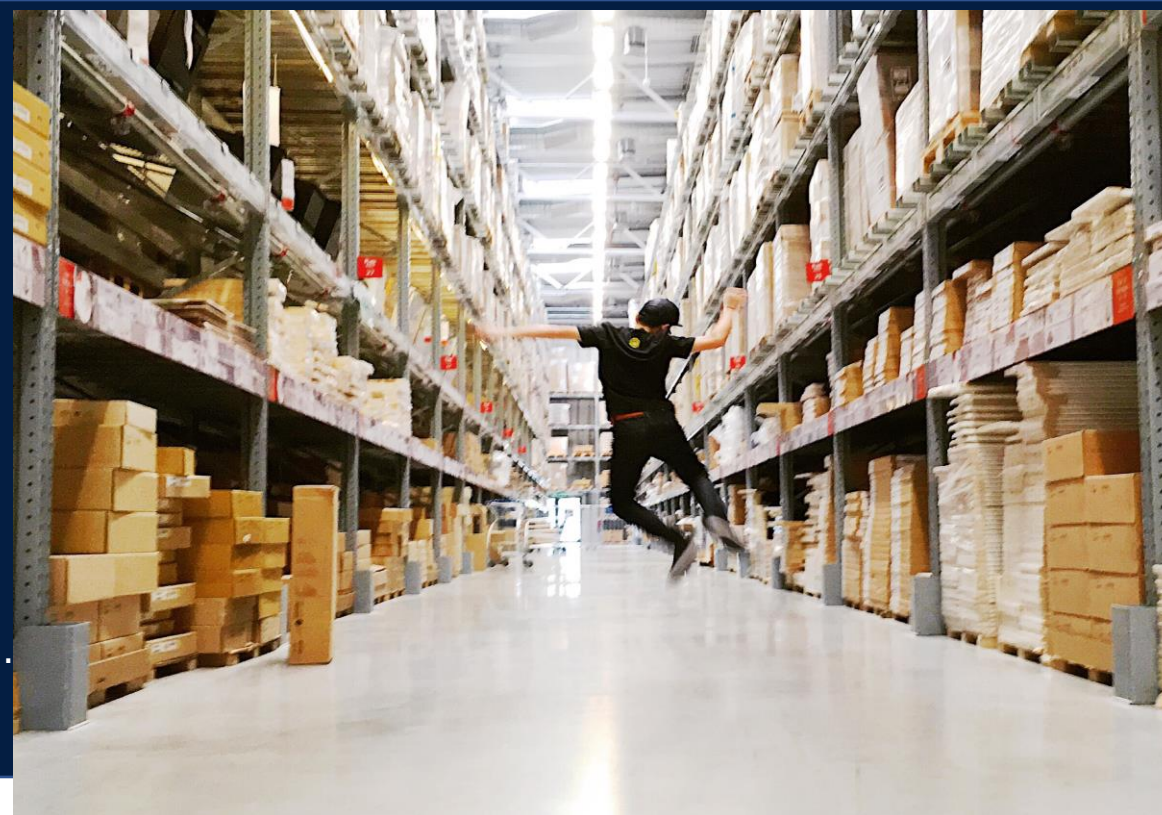
3 years improvement

+222%

Sales

+44%

Operating Profit



KOLOK

Headquarters | Johannesburg
South Africa
Industry | Distributor
Employees | 150

BUSINESS ISSUES

- ✓ Increase on time delivery to near perfect levels
- ✓ Reduce delivery time to same day/early next day
- ✓ Improve stock accuracy to 99%
- ✓ Diversify product offerings to quicker turn higher profit items
- ✓ Decrease inbound and outbound processing
- ✓ Reduce labor and operating costs to increase operating margins
- ✓ Eliminate theft

Increasing annual sales by 31% due to 99.8% inventory accuracy and 99% on time delivery.

Company

Launched in 1966, Kolok has evolved into one of the largest distributors of the world's foremost brands to markets in South Africa. Its operations are enabled by a world-leading, logistics and warehouse infrastructure which services its national footprint and extends it to include Namibia, Zimbabwe, Mozambique and Botswana. The company supports partners with superior stock availability and by leveraging its distribution facilities for efficient, timely delivery and collection services.

Challenge

The Kolok team had a vision to create a warehouse and distribution center that would deliver such efficiency and productivity, it would attract partners. The partners could leverage the Kolok distribution facility and jointly market and grow together. Initially it was a daunting task as the Kolok team had no warehouse management system experience and limited skill set as well as a lurking suspicion of theft occurring in-house. With 50% stock accuracy and 4-5 day delivery times, Kolok was on the brink of damaging partner and customer relationships, not growing them.

Solution

Turning to Supply Chain Junction, Kolok received the training, guidance and business process reengineering needed to turn around the business problems and to start gaining major steps forward in efficient warehouse management. Improvements included inventory accuracy, put away, pick, pack ship, new efficient layout and electronic monitoring.

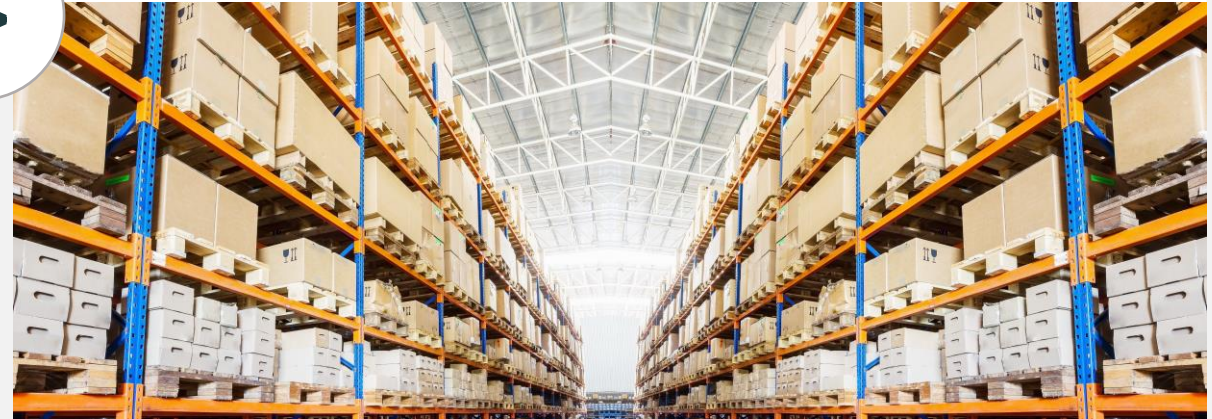
The major goals were to work with SCJ to implement world class WMS best practices to eliminate stock management and delivery issues. Within 4 years, stock accuracy moved from below 50% to 99.8%. The distribution center increased on time delivery to 99% with all orders delivered same day or early next day. The resulting efficiency increased sales 222% and operating margins by 44% over 3 years.



Annualized Benefit

Efficiency led to chain reaction of positive results:

- Sales increased 31% per year (222% over 3 years) due to:
 - 99% on-time delivery
 - 99.8% stock accuracy
 - 80x putaway speed
- Operating margins improved 44% over three years
 - Labor reduced saving R27m per year by reducing labour by 125 FTEs
 - Shrinkage/theft saving R4m/while eliminated 36 FTEs controlling theft saving R7.776m
 - Saved R1m per year in packaging savings alone



"The 99.8% stock accuracy helped increase revenues from R900m to R2b within 3 years. We go straight to SCJ when we need something, because when we do it just bloody works!"

- Mohammed Ebrahim, Operations Director