



Customer Experience

accelerating SAP® results

GraceKennedy Limited

consolidates and automates warehouse operations



AT A GLANCE

Company:

GraceKennedy Limited - global consumer products company; \$490M revenue

Problems Faced:

- Disparate warehouse operations
- Disjointed business processes
- Rising distribution costs
- Inadequate inventory control

Solution:

- Exalerate™ warehouse management
- RF barcode technology
- Exaserv implementation services

Results:

- Consolidated warehouse operations
- Automated manual processes
- Improved accuracy with bar-coding
- Lowered costs

Why Exaserv:

- SAP® expertise
- Innovation and flexibility

Founded in 1922 as a small trading establishment, today the GraceKennedy comprises a varied network of some 60 subsidiaries and associated companies located across the Caribbean and in North and Central America and the United Kingdom. Operations span the food distribution, financial, insurance, remittance, hardware retailing and food-processing industries. In 1995, GraceKennedy developed its 2020 Vision, their objective being to transform themselves from a Jamaican trading company to a global consumer group. After 15 years on this journey, the company is substantially larger and stronger, measured by their growth in revenues, productivity, profits and market value.

Challenges and Opportunities

GraceKennedy Foods, comprised of eleven food distribution companies, is an international export and import business. They faced enormous distribution challenges because of the wide variety of products and warehousing requirements.

Distribution activities were spread among four different companies in separate geographical locations, each being run by a different third party logistics provider.

This distribution structure, with each center having unique warehouse systems and processes, lacked operational efficiencies. Overhead costs associated with facilities, transportation/handling, and operational management were negatively impacting overall profit.

Less definable, albeit equally important, was the impact on customer service. As the company grew, inventory management and customer order tracking from multiple warehouses became more difficult.



GraceKennedy Limited consolidates and automates warehouse operations



The Solution

After detailed analysis, GraceKennedy decided to consolidate four separate warehouses into one central distribution center run by a single third party logistics company. This distribution center is approximately 240,000 square feet with over 24,000 individual storage bins.

GraceKennedy felt from the beginning that technology would play a critical role in the success of this new distribution strategy. They knew that existing systems lacked key functionality and scalability. Following the evaluation of best in class warehouse management systems, GraceKennedy decided to implement SAP Warehouse Management.

Exaserv, an official SAP systems integration partner, was selected to implement the new warehouse system. Exaserv helped GraceKennedy design the warehouse structure within the SAP solution to consolidate the four disparate warehouses and optimize operations. Radio frequency driven barcode scanning technology from BCC Distribution, Inc. (an Exaserv business partner) was used to automate key inventory functions providing greater accuracy and speeding the inventory flow through the warehouse.

"We selected Exaserv because they were able to deliver an integrated solution and because they had the track record of delivering on-time, on-budget projects. We were able to achieve expected results because of Exaserv's depth of experience with both SAP and distribution management solutions" said Zak Mars, Chief Supply Chain Officer of Grace Kennedy. With the new distribution center in operation, GraceKennedy is able to improve customer service while improving profitability through better inventory control processes.



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