



MASTERPACK  
INTERNATIONAL

# BLACKMORES Naturally healthy distribution operation improves productivity

Blackmores has been dedicated to natural health care for over 60 years. Their range of quality vitamin, mineral and herbal supplements and natural skin care products are manufactured, bottled and packaged in Sydney and distributed throughout Australia, New Zealand, United Kingdom and Asia.



Blackmores' 850 location, broken-case pick-to-light system warehouse with 1,200 pallet spaces in its bulk and reserve storage areas was initially supported by manual paper-based systems, explained Mark Schultz, distribution manager, Blackmores Ltd.

## The paperless warehouse

"The next logical step was to look at a paperless operation for our bulk area within the warehouse," Schultz said. "We looked at a number of different packages and decided to go with Masterpack's WarehouseManager because we could tailor the system to fully meet our warehouse operating requirements and easily integrate it with the existing pick-to-light and conveyor sortation system."

Masterpack WarehouseManager provides overall management for all warehouse operations including both inbound and outbound operations and housekeeping activities. The operations are completely paperless with all tasks except the pick-to-light based broken-case picking activities occurring under the direction of portable Radio Frequency (RF) terminals.

## Just the way you like it

Much of Blackmores' implementation process entailed developing the rules, processes and parameters for how the warehouse would function. These specifications were then configured in Masterpack WarehouseManager. Sophisticated functionality specifically designed for the pharmaceutical industry was also added, including full batch/lot tracking and traceability, use-by-date management and carton contents tracking for all picking activities.

The multi-warehouse, multi-site Masterpack WarehouseManager is scaleable and customizable, conforming to changing operational and computing requirements without complex programming. The software is easy to implement and learn, yet delivers order accuracy approaching 100%.

## Integrated workflow

Schultz said that after determining the specifications for the system, Blackmores had to get it to integrate with their Quantel mainframe to allow both sales orders and warehouse receipt notices to be passed to Masterpack WarehouseManager immediately.

## I N B R I E F

### BLACKMORES LTD.

Sydney, Australia

**INDUSTRY** Personal healthcare and pharmaceuticals

**HARDWARE** Intel 486

**OPERATING SYSTEM** SCO Unix

**TASKS** Total warehouse management utilizing real-time radio frequency control systems

Confirmations are passed back to the Quantel system as each transaction is completed. In addition, inventory adjustments are posted between the systems on a real-time basis to ensure matching stock levels in both systems at all times.

This integration ensures that customer service representatives keying phone orders into the Quantel system know the order is received into the warehouse as soon as they complete the order entry procedure. As each order is entered into the mainframe system,


warehouse. "When it comes to finding stock, we know where it is," explained Schultz. "You can imagine what it was like with a paper-based system that has no location record. We would be walking around scratching our heads saying, 'Where is it?'" Another improvement was in assembling export orders. The amount of time needed to pick a container for export has been cut in half.

### Customer service and efficiency

Over the last few years, Blackmores has worked hard to improve service and support for its customer base by providing fast, accurate deliveries. As a result, the orders are becoming smaller and more frequent as retailers reduce their own stock holdings and rely on a regular delivery from their supplier.

Today, the average number of units per order is quite low, at about 65 items, while the number of lines per order is high, at 20. By implementing Masterpack WarehouseManager and the pick-to-light system, their main facility typically handles between 230 and 250 orders per day, with a very lean staff requirement. Twelve people in broken-case picking can now pick over 300 orders per day, consisting of about 18,000 units.

This improvement in warehouse productivity has allowed Blackmores to completely eliminate one distribution facility. The infrastructure in the main facility can fully cope with the existing workload as well as that of the Victorian market with minimal additional investment in equipment or systems. At present, the main facility directly supplies pharmacies, health food stores and health practitioners in New South Wales and Queensland. Soon, the company plans to extend that coverage to Victoria — without negatively impacting customer service.

"We recognize we have invested in the right technology and can now meet the extra 120 orders per day required to service the additional state," said Schultz, who has no intention of allowing the increased demands to impact customer service. 

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Mark Schultz  
Distribution Manager  
Blackmores Ltd.

it passes through a credit check before being released to Masterpack WarehouseManager for dispatch. Here the tasks required to ship the order are automatically scheduled by the Masterpack system. At this point the order may be split into multiple pick tasks from different areas of the warehouse. Masterpack WarehouseManager also ensures adequate stocks to fill the order are on-hand in all pick locations.

All warehouse tasks, with the exception of those issued to the pick-to-light system, are controlled in real-time through the use of portable RF terminals, ensuring allocation, validation and confirmation take place as scheduled.

### Small, simple steps

By breaking down warehouse operations into a series of small, easy-to-complete tasks delivered by the RF system, the system is easy to learn. This makes the introduction of new people to the warehouse easier. "Our system supervisor became familiar with it over about a two week period. He was completely comfortable after about six weeks of use," said Schultz. The easy to learn system also allows for rotation of jobs, leading to greater job satisfaction.

### Efficiencies in the system

Many efficiency and productivity improvements have taken place at Blackmores since the new system was introduced, including quicker export order assembling and better tracking of inventory movements within the

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